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GENERAL ELECTION WOULD INTERRUPT TRADE RECOVERY

Especially During Present Initial Stages of Expansion in Industry

PRICE ADJUSTMENTS

Ninety Million Dollar Decrease in Imports Shows Depression of Certain Manufacturing Lines

In view of the current trend of political developments throughout the Dominion, it is not improbable that an impending general election may appear as the major event on the business horizon within the near future. Such an occurrence would undoubtedly add uncertainty to the already difficult position of industry. This is especially true at a time such as the present when Canadian manufactories are just beginning to work into a healthier position. Industry has interpreted the tariff and taxation policies of the present government as being unfriendly and feels that a further mandate from the people would probably mean an extension of these policies in the same direction. Although no official information is forthcoming with regard to the government's intentions, there is an impression that the return of the Dunning Government in Saskatchewan, the improved outlook for the government party in Nova Scotia, pending the coming election and the position of the opposition party throughout the country, suggest the advantage that the government would have in coming before the people this year. Even apart altogether from the policies of either party in relation to business and industry, the prospect of a general election carries with it a degree of uncertainty.

Important Developments

Entirely aside from the question of an election, there are certain important developments in some of the industrial lines, arising mainly from price adjustments. The textile field furnishes an example. Prospects at present are for an unexpectedly favorable cotton crop. This would have a material influence on prices. Of late the cotton textile industry has been depressed because the public has been refusing to buy goods at the prices which the high quotations for raw cotton determined, and substitutes such as artificial silk have been in very great favor. Now the prospect of a very large crop, with, presumably, an attendant price reduction holds out hope for some amelioration in the volume of sales of the textile products, and consequently, in the general position of the industry. Whether or not wages also can be reduced remains to be seen. The wool textile industry is affected in a different way. A British dispatch states that costs of production are being further lowered by a reduction in the wages of the wool textile operatives. This cannot but have a bearing on the Canadian production of these products. In the rubber industry, the phenomenal rise in the price of raw material induced largely by a reduction in exports from the British rubber producing colonies, has entirely changed the outlook of tire and rubber goods producers. They are faced by a drop in consumption and a smaller turnover, which will be a serious problem to those companies which are carrying on with a small working capital.

Current Trade Reports

Another phase of the industrial situation is disclosed by the current trade reports of the Dominion. During the year ending April, our total imports were worth $795,864,047 against $885,358,688 for the previous twelve months. This is a drop of approximately $90,000,000. The popular impression that this decrease in imports is entirely due to a falling off in the importation of raw materials owing to the slackness of industrial conditions is only partly true. Imports of bituminous coal declined by nearly $20,000,000. Total iron imports dropped $35,000,000. The total amount of metals imported was $40,000,000 less than the previous year. On the other hand raw rubber imports increased by $3,000,000, and by 7,000,000 pounds, in volume. Artificial silk imports and sugar imports expanded materially. Raw cotton imports increased by 12,000,000 pounds and the value of raw wool importations was greater. Evidently the truth that is in the impression is confined to one or two lines which, admittedly, are basic. The fact that exports increased by nearly $40,000,000 cannot be gainsaid. A variety of conditions exists in the manufacturing lines and any statement of general depression in industry is lacking in support.

Saskatchewan's Dry Spell Broken by General Rains

REGINA.—According to telegraphic information just received from the Saskatchewan Department of Agriculture, generous rains have fallen over the province during the past week and the soil has now an abundant supply of moisture. Crop prospects in general are greatly improved. Seeding is practically completed in the southern part of the province, but in the north there still remains a small amount of coarse grains to be sown.

Aird Urges That the War Finance Act be Continued

For a continuation of the War Finance Act on the basis of service rendered to trade and industry of the country and benefits conferred on the whole community, Sir John Aird, president of the Canadian Bankers Association, made a strong case in his address at the banquet of the Canadian Manufacturers' Association in Hamilton. Sir John definitely intimated that there were certain political and other influences at work to have the act removed from the statute books and strongly urged that it would be a mistake in the public interest for the government to pay attention to them.

According to Sir John, not only had the War Finance Act, which came into effect shortly after the declaration of war, assisted the banks in accommodating trade and industry, including the manufacture of munitions of war, without that material advance in interest rates which had been general throughout the war countries, but the banks had paid to the government under the rediscounting privilege a total of $15,000,000 in interest which had gone into the public treasury without any cost whatever to the public.

The latest government bank return shows advances to the banks under the War Finance Act of $14,700,000.

CHICOUTIMI PULP AND SAGUENAY CO. TO AMALGAMATE

Will Form on Ratification by Bondholders New Pulp Company

From Our Own Correspondent.

MONTREAL.—The Chicoutimi Pulp Company and the Saguenay Pulp and Power Company are to unite and form a new company to be known as the Quebec Pulp and Paper Mills. For a considerable period the affairs of both constituent companies have been in the hands of bondholders' committees. These committees have been responsible for the plan of amalgamation which is to go into effect as soon as it receives ratification at the hands of the bondholders at the end of this month.

The new Quebec Pulp and Paper Mills will have an authorized capitalization of $12,000,000 of 7 per cent. cumulative preferred stock and $10,000,000 of common stock. The par value of both these shares will be $100. It is interesting to note that the only bonds outstanding are three of the underlying issues. They amount to but $922,686 and the Port Alfred Pulp and Paper Company is responsible for the interest charges on over $250,000 of these bonds. From this it can be seen, that for the future, the company will not be handicapped by the necessity of making earnings with which to meet heavy fixed charges. In other words, if competition should become too keen, the company can continue to operate and pay its way without having the bondholders step in and assume control.

What Bondholders Receive

The Chicoutimi Pulp Company has only one issue of bonds outstanding. The bondholders in this company and the holders of the Saguenay Light and Power Company bonds, together with the holders of the Saguenay 6½ per cent. bonds will all receive in the

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MAPLE LEAF MILLING MAY BUILD U.S. MILL

To Take Advantage of Lower Lake and Rail Rates Via Buffalo

An interesting disclosure which came out in connection with the annual report of the Maple Leaf Milling Company was that inducements had been offered the company to establish a plant in Buffalo for the purpose of taking advantage of the lower rail and water rates from that city to the seaboard. The rumor that such a deal had been closed, and that Maple Leaf would shortly commence grinding in bond in competition with United States companies milling Canadian wheat for export, has not yet been confirmed.

Canadian millers are at a considerable disadvantage in competing for export orders with these United States firms which are milling hard Canadian wheat in bond, shipping it abroad, and obtaining a 99 per cent. drawback. On leaving the head of the lakes, wheat shipments get a lower rate to Buffalo than is possible when the grain is consigned to the Canadian side, at Port Colborne. Then again a much better rate is secured on grain dispatched by rail from Buffalo to seaboard than from Port Colborne. There is therefore a double advantage in milling the wheat on the American side. The actual advantage of the lake rate at the present time is ½ cent per bushel, while the rate from Buffalo to New York is approximately 16 cents per bushel on flour as against a range of from 18½ to 23 cents on the Canadian side. Since there is nothing to prevent the milling of the Canadian grain by the United States firms on the American side, it is to be expected that Canadian millers would be anxious to make use of the advantage afforded there.

30 WHOLESALE GROCERS FORMING BIG NEW MERGER

Will Have a Turnover of About Thirty Millions

The merger of Ontario wholesale grocers, that has been under negotiation for several months, is now definitely assured and announcement of the final terms and of the firms in the deal is expected next week.

It is understood by The Financial Post that nearly 30 firms, with around 40 warehouses have given options on their properties to Marland Woolnough, wholesale grocer, of Niagara Falls, who has worked out the merger and is likely to head the new enterprise. The turnover of these firms is over $30,000,000 annually and an immense capital is tied up in their plants.

It is expected that the deal will be financed by the sale of bonds through a Canadian bond syndicate. The financial details have not been completed yet. This week Mr. Woolnough told Canadian Grocer, "The merger is now in definite shape, other than arranging a few details regarding financing."

The grocers involved cover all Ontario and include many old-established wholesale grocery houses that have built family fortunes.

The bond issue will not be the first participation by Canadian investors in food distribution, as there have in recent years been a number of investment issues of manufacturing, wholesale and retail pure food and allied companies.

EATON CO. FORCED TO GRANT CREDIT

This is View Taken of Suggestive Move by the Montreal Store

Has the T. Eaton Co. been forced to adopt credit or instalment selling to meet competition? There seems to be evidence that this is the case at least in Montreal where credit accounts have long been in vogue. On June 1, Eaton's of Montreal advertised a radio sale on a deferred payment plan. This plan is as follows:

"Eaton prices are based upon selling for spot cash, but for those who prefer purchasing by deferred payments, arrangements have been made whereby any set or combination of equipment in this great special selling, may be obtained at cash prices, plus a 'D.P.' surcharge of 7 per cent. on the unpaid balance, to cover interest and collection expenses. 'D.P.' terms for this sale are—A minimum cash deposit of 20 per cent., and the remainder, plus 7 per cent. surcharge, payable in ten equal monthly payments."

Instalment selling has undoubtedly made rapid headway during recent years, but the introduction of it by a company such as the T. Eaton Co., which has always maintained such a rigid cash system, comes as more or less of a surprise to the trade in general, says Dry Goods Review. Montreal is, of course, pretty much a confirmed credit centre and on some lines at least Eaton's evidently feel credit is necessary.

How Protection Brings Direct Benefits to Farmers in Quebec

By J. H. FORTIER.

President of the Canadian Manufacturers Association in addressing annual banquet at Hamilton.

To give a vivid demonstration of the necessity of co-operation between agriculture and industry, let me describe a comparison of conditions in two different parts of the province of Quebec.

In the St. Maurice Valley, we have three cities where prosperity is fairly consistent; Three Rivers, Shawinigan and Grand Mere. The farmers around these places were very poor some twenty-five years ago. The quality of the soil is not first-class and the summer season is rather short. Still the fact that three local markets are there waiting for their products has made the agriculturists industrious and prosperous in a sector of thirty miles around the centre of that district.

On the other hand, take some counties on the south shore of the St. Lawrence. Where there is not one urban centre in the region, not one industry worth mentioning, no local market for the farmers to bring their farm products to, the toiler of the soil works very hard for twelve hours a day but gets little return in money and is often discouraged. In all parishes of these counties you have dozens of homes closed where occupants have fled to a more hospitable or at least to a better governed country. And dozens of sturdy sons have deserted other homes to try their luck in the United States. In many cases the sons go but the mother and sisters stay. Canada loses the earners and keeps the dependents.

Gentlemen, with a tariff more inviting to capital and industry, it would not take very long before local markets could be given to all counties where farmers are starving. What a responsibility for those of our public men who see that point and have not the manly courage to remedy the situation. For the rural populations first, for the sons of the land and for agriculture, the Canadian Manufacturers' Association demands national protection.

Three Proposals on Dominion Canners Winding Up Outlined

Indications Are That Market Value of Exchange Will be Well Over $120 for Both Preferred and Common Shares

The market seems to be quietly studying out the Dominion Canners' situation. Since the decision to wind up the company has been announced, the stocks have assumed an almost even basis, 108 and 107 for the common and preferred, and held there. Preferred shareholders will consider three alternative propositions in regard the winding up. These are:

DOMINION CANNERS DISTRIBUTION

Each Share Pfd. —Receives— Market Value	Canadian Canners Securities	Each Share Com. —Receives— Market Value
111.40	Bonds, Par, 6%, $115	......
......	Pfd., $245	122.50
11.25	Common $75	......
122.65		122.50
1.75	Dividends	3.50
124.40		126.00

If above is reversed:—

Com. Value		Pfd. Value
122.65		122.50
3.50	Dividends	1.75
126.15		124.25

If even division is made:—

Preferred Market Value	Can. Can. Sec. Par Value	Common Mk. Value
48.50	$50 Bond	48.50
67.50	$135 Pref.	67.50
5.00	$33 Com.	5.00
$121.00	$218	$121.00
1.75	Dividend	3.50
$122.75		$124.50

$7 will have been paid on both Dominion Canners issues for last fiscal year.

The first is quite clear. Preferred can have bonds of $115 par, market values $111.40, and $75 par value common, market value $11.25, and 1¾ per cent. dividend. Common shareholders would take preferred of $245 par, market value $122.50 plus cash dividends $3.50.

If the proposal is reversed and the preferred holders decide to accept Canadian Canners' preferred, then the values will be reversed except for the dividends. If a 50-50 split is decided upon, then the third proposal will apply. Each will take a $50 bond, market value $48.50, preferred $135 par, market value, $67.50, and common $33 par, market $5, plus cash dividends.

Dominion Canners is capitalized as follows:

	Authoriz.	Paid
Common	5,000,000	$2,797,100
Preferred	5,000,000	2,290,600
Bonds	2,500,000	1,423,345

Canadian Canners capitalization follows:

Common	2,500,000	2,216,758
Pref.	10,000,000	8,836,659

The proposal is that Canadian Canners will issue $6,000,000, 6 per cent. general mortgage bonds, $4,000,000 to be issued. Can. Canners owes Dominion Canners $2,546,999, and this is to be taken care of by $2,600,000 bonds and the balance, $1,400,000, will be held to retire Dominion Canners bonds.

Dividends on Canadian Canners pref. are now 14 per cent. in arrears. A 2¼ per cent. interim dividend was recently declared. There is not likely to be further distribution this year. When the stock is distributed to Dominion Canners shareholders it will be ex-dividend.

Dominion Canners holds Canadian Canners preferred, par value, $6,847,400 and common $1,710,900.

Quebec Railway Dispute Will Go to the Courts

As intimated in May by The Financial Post the courts are to be asked by the T. and N. O. Railway to decide on the question of its right to enter the Quebec mining field. The Ontario railway, through its subsidiary holds a Federal charter. When the Quebec government stopped the construction of the line, the T. and N. O. appealed to the Dominion government in regard to its charter rights. The matter was sent on to the Attorney-general but as no action was taken, it is now proposed to press the case to the courts.

Gambling Money Needed

Mining in Canada Needs it to Open up Prospects—Big Money Can be Secured for the Proven Property—Much U.S. Capital May be Made Available.

Two things stand out as the need of the mining industry, some new mineral discoveries and some gambling money to help develop them. Undoubtedly there are a number of prospects available to-day, that would come along well if their owners had sufficient money to open them up. In many cases this would have perhaps been done long ago, if the owners were content to play with capital on a reasonable basis. The fact that a good many of them are not however, is retarding progress and this makes new finds desirable.

Located in various parts of the present known areas are quite a number of properties that warrant the expenditure of considerable money in testing them out. These have been idle, some of them for years, because of the lack of gambling capital. This applies not only to Ontario, but to British Columbia as well. North-western Quebec seems to be getting a considerable amount of funds. A big factor in its success has been the entry of a number of the large Ontario operators who have taken up sizeable blocks of ground which they are prospecting. But outside this, there is considerable outside gambling money going into Quebec. Manitoba is also fortunate in this regard, especially the Central part, where some big money is taking hold and carrying on exploration in a big way. Both the Quebec and Manitoba fields have the advantage of being practically new camps and the neglected spots or properties have not begun to show up like they have in the older camps of British Columbia and Ontario. For the proven property of merit it is not difficult to interest big money.

There is considerable new activity in these old camps however. There is some gambling money finding its way into the country, mostly from the United States and this is being put to good use. A great many old properties that have been idle for years in British Columbia are being reopened. The high price of base metals and the strength in silver prices is proving a factor. The interest in Northern Ontario is being divided among the old properties of Gowganda, where a tremendous amount of development was done some years ago and then the camp more or less abandoned and North-western Ontario which prior to the Klondike rush was the scene of great activity. A large number of properties have been taken up and are being reopened. It is believed that with modern mining methods a large number of properties can be operated profitably.

There are possibilities that a considerable amount of speculative funds will be available from United States in the next year or two. A Buffalo broker, who is taking up the financing of a Northern Ontario mining venture stated that as a result of the tightening up of the laws on fraudulent sales and wildcatters, there are going to be millions of dollars of heretofore wasted funds available for legitimate ventures. He was certain that if Canadian mining was properly presented there would be no difficulty in it drawing a goodly share. He was of the opinion that the only way to secure this money was by properly presented propositions, offered through recognized United States houses of standing. The laws are so complicated now, he says, and regulations are becoming so stringent, that he doubted the ability of those unfamiliar with the regulations, to get a proposition properly presented.

NO PROTECTION ON FARM IMPLEMENTS

Cheaper to Manufacture in United States and Ship Into Canada

That American implement manufacturers can manufacture in the United States, ship to Canada and pay the duty and sell cheaper than if they did their manufacturing here was frankly admitted by President Mount, of the Advance-Rumely Co., at the company's annual meeting at Chicago. Further he intimated that Canada provided a market for excess stocks when this resulted from the big scale production program necessary to get costs down to meet competition.

President Mount's statement will be of interest to Canadian manufacturers and to all who are interested in the question of tariff protection for Canadian industry:

"We can manufacture in the United States, ship into Canada, pay the duty, and sell cheaper than if we manufactured in Canada. Only those parts which are required to be manufactured in Canada, under the patent laws, are made in our Canadian plant.

"One of the things which are not generally understood by the American people, is that the farm implement industry has no tariff protection and has not had any for more than 20 years. The big domestic market gives the American manufacturers a constant backlog and enables them to equip their plants with the best machinery for mass production. The result is that farm machinery is sold in America cheaper than in any other country, and in addition to going into Canada, we and the other farm machinery manufacturers sell our products in South America and Australia and other foreign countries, pay the tariff, and meet foreign competition on an equal basis. Ten or 15 years ago, England dominated the Argentine market, but this is no longer true."

RATE CONTROL BY RAILWAY BOARD MORE IN FAVOR

Growing Opinion That Commission Can Best Handle Situation

THE WESTERN STAND

Attitude of the Progressives is More Favorable to the Course Being Taken Than Was Expected

From Our Own Correspondent

OTTAWA.—The freeing of the hands of the Railway Commission in dealing with rate questions, with the single exception of the tariff on grain and flour eastbound, has met with surprisingly general approval in Parliament. It was expected that it would meet with a favorable reception from Liberals and Conservatives, but it was feared that it might arouse bitter opposition among the Progressives. There are without doubt a number of the Progressives who are strongly opposed to the government proposals; but the feeling is by no means widespread as had been expected.

There are several elements in the situation which are causing some, even among the Western Farmer members, to hesitate in their condemnation. In the first place, they are getting what is by far the most important part of the Crow's Nest Pass agreement, namely, the eastbound rates on grain and flour. These are being continued and their application is being broadened. Under the agreement, as interpreted by the Supreme Court, those rates were presumably limited to stations on the C.P.R. in 1897. Under the legislation proposed by the government, it is provided that there shall be no discrimination in flour rates, which would appear to mean that they must apply generally, though of course the precise effect of this legislation will have to be determined later by the railway board.

This is one consideration that is leading the westerners to look carefully before condemning without qualification the proposed solution of the rate problem. Another point that is being studied has to do with the general "equalization of rates," which the government has commended to the railway commission. If the West gets rates made on an equal basis with the East, it has been stated that they would not need the Crow agreement at all.

A third element in the policy that is being pointed out as favorable to the West is the direction of the government to the board to consider rates in view of the movement of traffic through the Panama Canal. It is argued in some circles that this will lead to a lowering of rates as between East and West, and if this should prove to be the case, again the West would benefit.

Let Board Control

Meanwhile there is no doubt that it is the considered opinion of a great majority in Parliament that it is good public policy to give the railway board complete control of rates. Probably

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U. M. Workers Are Now Losing in District 18

From Our Own Correspondent.

CALGARY.—The latest phase of the coal mining situation in Alberta is that the big Canadian Pacific Galt mines at Lethbridge have negotiated a direct agreement with their employees which will give them steady work throughout the summer. This is the first domestic coal mine in District 18 to follow the lead of the steam coal mines in the Crow's Nest Pass and at Canmore and Brazeau in breaking away from the United Mine Workers of America, and much interest is now centred in what Drumheller will do. If the latter mines break away from the American organization it will have lost every sub-district in Alberta and north-eastern British Columbia. So far as Lethbridge is concerned, the miners there acted entirely off their own bat. They preferred steady work with a reduction to one day a week under the old agreement.

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The Business Outlook in Canada

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

TOURIST TRAFFIC ADDING MILLIONS TO OUR REVENUE

Visitors From States Alone Spent $150,000,000 Here Last Year

The potentialities of the tourist industry as one of the important sources of income of the Dominion are again illustrated by an analysis which the Highways Branch of the Federal Department of Railways and Canals has just published. The study shows that the revenue during 1924 from the motor tourist traffic alone was in the neighborhood of $143,405,900. The figure is necessarily an approximation, but it illustrates something of the proportions of the industry as well as suggesting what could be done in this direction were a little studied attention paid to the systematic attraction and entertainment of tourists.

One of the leading factors in the building up of the tourist traffic is the construction of good highways. It has been estimated that, on the average, our tourist visitors spend upwards of $150,000,000 annually, and this average is increasing year by year. The Department of the Interior estimates that 7,370,000, or 48 per cent. of the automobiles in the United States are owned by citizens living in states contiguous to the international border or waterways. There are, therefore, some 35,000,000 potential tourists to Canada in these states. The figure, which is necessarily an estimate, illustrates the possibilities in the development of better highways, especially those running north and south. The northern towns would thus be benefited and the outlying territory opened up, as its potentialities become better known. No country possessing the admirable climate and scenic beauty of Canada can afford to overlook the development of its tourist traffic.

Distribution of the Traffic

The registrations of all types of motor vehicles in the various provinces last year reached a total of 650,321, which was an increase of 11 per cent. over 1923, while the 1923 figure was 13.68 per cent. larger than that of 1922. The general increase in the number of tourists has been very rapid. During the one to six month period it grew 34 per cent., for the two to thirty day period it increased 290 per cent., and for the one day period, 272 per cent. Ontario reaped the largest revenue from this source. In fact, more than half of the total came to Ontario. Quebec was second with approximately one-quarter of the total. Most of the balance went to British Columbia and New Brunswick. The other five provinces received relatively small percentages of the total.

The gradual improvement of our road system also has the advantage of attracting settlers to the country districts and of making country life more attractive. In fact, in addition to advertising the various parts of the country through the tourists who visit during the summer, the building of roads is one of the most important factors in settling the unoccupied tracts of land across Canada, and in keeping them settled. At the same time it is a leading factor in the appreciation in the values of farm land. When land in any locality becomes more valuable, the municipality naturally has less difficulty in its problems of financing. The funds which are expended in the construction and improvement of roads throughout the country are soon realized on. This should be borne in mind by those who are opposed to the principle of the gasoline tax. Ontario's three cent tax is expected to yield $3,000,000 annually from this source. Alberta, British Columbia, Manitoba, Prince Edward Island and Quebec adopted the gasoline tax at various times, and during the past year realized $1,417,705 therefrom. In these five provinces, registrations totalled 229,170, hence, on the average, each owner contributed $6.19 towards this tax.

Canadian Conditions

Car Loadings—		
	1925	1924
Week May 30	46,103	58,643—21.6%
Yr. to date	1,116,624	1.162,785— 3.9%
	1925	1924
Grain Receipts—		
Aug. 1 to May 29	238,778,398	374,662,550—33.6%
Building—		
	1925	1924
May	$14,545,161	$13,936,337+ 4.3%
	1925	1924
5 months	47,748,445	44,175.917+ 8.1%
Bank Clearings—May—		
	1925	1924
	$1,309,559,221	$1,396,462,465— 6.1%
Savings Deposits—Chart. Banks—		
	1925	1924
Mar.	$1,266,231,798	$1,192,589.899+ 6.1%
Current Loans—By Banks—		
	1925	1924
Mar.	$917,645,337	$1.006,913,916— 8.8%
Net Dominion Debt—Mar. 31—		
	1925	1924
	$2,403,005,035	$2,409,326.639— 0.2%
April—	1925	1924
C.P.R.	$12,608,788	$13,806,121— 8.6%
Oper. exp.	11,160,188	12,051,204— 7.4%
Net	1,448,599	1,754,917—17.5%
4 Months	1924	1923
C. P. R.	$49,223,559	$55,094,604—10.6%
Oper. exp.	43.919,278	48,890,639—10.1%
Net	5,304,281	6,203,965—14.5%
April—	1925	1924
C.N.R.	$17,656,889	$19,051,093— 7.3%
Oper. ex.	16,402,357	17,795,399— 7.8%
Net	1,254,532	1,255,694— 0.09%
4 Months—		
C.N.R.	$69,093,343	$75.833,721— 8.8%
Oper. exp.	65,318,561	72,022,585— 9.3%
Net	3,774,782	3,811,136— 0.9%
Balance of Trade—		
12 months, Apr. 30—		
	1925	1924
Exp.	$1,092,551,749	$1,053,953,665+ 3.6%
Imp.	795,864.047	885,358,688—10.1%
Bal.	296,687,702	168,594,977+76.2%
July Wheat, No. 1, Nor. Winnipeg—		
	1925	1924
	June 8—$1.80.	June (Aver.)—$1.14

How Costly is Credit?

Selling on Instalment Plan Adds Considerably to Cost But Many Consider Difference Worth Paying —Is Credit Economical in the End?

This is the third of a series of articles prepared by The Financial Post in the growth of instalment selling in Canada. The first articles can be obtained by writing to the editor. More articles will follow.

APART from the attractiveness and the convenience of the myriad of credit selling schemes, new varieties of which are being announced daily, the ultimate test must be the cost to the consumer. With this new type of merchandising breaking into every channel of retail and wholesale trade, it is not surprising that many are pausing to count the cost. Not a few business leaders express the fear that this new plan may require a modification of the established retail business of the country. It is time for the consumer also to ask whether or not credit selling is merely the attempt of another group of middlemen to get in and take their toll from the general public. Is it going to put a further tax on the already too heavy burden of living costs? Will it ultimately lower buying power and decrease the total volume of merchandise that a community will absorb?

That there are misgivings with regard to the advisability of developing credit selling indefinitely does not lack evidence. A pointed warning was recently issued by the National Association of Credit Men, of the United States, on the danger of excessive deferred payment selling. Only a few days ago one of the largest trade unions in America published a survey of its living costs showing that the alarming increase in the personal indebtedness of the average wage-earner is endangering his independence. Instalment buying is cited as the cause.

Cost More in the End

That instalment selling is going to cost more in the long run might as well be admitted at the outset. There are a few large-scale credit selling schemes already in operation in which there is no addition to the actual listed cost of the goods. These are cases which do not involve the service of the finance company, and they are isolated at best. The favor of receiving goods in advance of the payment is a service to the consumer which is bound to cost money. Somebody is extending credit; credit costs money, and somebody will have to pay for it. The argument that it is not necessary to have a product before you can pay for it means nothing. Human needs are increasing, and methods of satisfying these needs are going to be taken advantage of to the limit, especially by young families starting out, without large means, but with reasonably large prospective earning power.

In the less complex cases of instalment selling, where the merchant or manufacturer does his own financing, the increased cost is not so great. As intimated above, the seller of the goods may even extend credit without additional cost in order to obtain business. But in the majority of instances, a certain percentage is added to the cash cost and is either stated as such, or an effort is made to cover the fact that the customer is paying more. Two leading furniture sales policies in the city of Toronto illustrate these two methods. It is probable that the additional cost is anywhere from 5 to 20 per cent. or more according to the nature of the transaction.

A Typical Auto Sale

The simplest example of the transaction wherein the third party—the finance company—functions, is the case of the credit sale of automobiles. Let us take a typical case. A party buys an automobile the cash price of which is $1,242. He pays $621 cash and agrees to retire the balance in 12 equal instalments. To the balance of $621 must be added the cost of time payment which is figured at 10 per cent. on the unpaid balance. The instalments are thus approximately $57 each. A more frequent method is for the purchaser to pay one-third down, add 10 per cent. of the balance to the balance, and retire the total in ten equal instalments. The proportion of cash paid must be at least one-third. The number of cars and trucks bought on credit through one of the leading finance companies which operates in Canada and the U.S.A. since its inception (Jan. 1, 1925) was 652,831 retail, and 494,977 wholesale. The total amount of credit granted buyers by this firm between 1919 and 1925 was over $810,000,000.

Credit on General Merchandise

In the case of such products as refrigerators, vacuum cleaners, washing machines, etc., the time price is usually about 10 per cent. above the cash price, with a minimum increase of something like $5. Ten per cent. of the time price is paid in cash and a note is taken for the balance, to be retired in equal monthly instalments. For four monthly instalments, 4 per cent. is added to the face of the note; for five payments, 4½ per cent. and so on. Up to 12 monthly instalments, the rate is 8 per cent. Upon receipt of an acceptable note, the finance company sends the dealer 90 per cent. of the face amount in cash, less the charge of financing, which varies. A deferred certificate for the remaining 10 per cent. is also sent to the dealer to be cashed when the note is fully paid. On an article which cost $160, for example, the time price would be 10 per cent. more, or $176. Ten per cent. of this, or $17.60 is paid down, leaving a balance of $158.40. This balance spread over twelve equal instalments is equivalent to an advance of half the amount, or $79.20, for a straight twelve months without monthly reductions. For an accommodation of $79.20 for twelve months, a premium of $16 is paid by the purchaser. This in all is equivalent to 20.2 per cent.

In the case of radio equipment, the usual practice is to add 5 per cent. to the original cash price, and collect one-third cash. Assuming the cash price to be $150 and the time required, eight months, the time payment will be $157.50. From this is deducted the cash payment of $52.50, leaving a balance of $105. This is equivalent to an advance, or loan, of $52.50, for ten months. The customer has paid out $7.50 for it, which is at the rate of 17 per cent. for the accommodation. In the case of the paint contracts and the re-roofing, the rate charged runs as high as 25 per cent. In the case of plumbing equipment, ranges and so on, the rate runs from 15 to 24 per cent.

Willing to Pay Price

Without multiplying examples further, it is evident that this instalment selling is going to increase the cost of the goods. Many are willing to pay the additional amount for the service received. Following is an excerpt from the trade union report referred to above: "Business is suffering as well as the consuming public from this state of affairs. It is being driven to an impassé. Buying power is being sopped up in advance of its development, and the cost of doing business is increasing fearfully. Credit which formerly extended down the line to the retailer where cash relief came to turn back the commercial stream, now runs on indefinitely. Continuous prosperity will never be possible if individual wealth is to be spent before it is created. The root of the evil is the tremendous growth of credit business which in the last decade has raised a need for defence of the worker against the 'high pressure' type of salesman." Surely this statement over-emphasizes the possible evils of the credit selling system. There are very many cases where the purchaser is not only willing to pay the difference, but would be greatly inconvenienced, were he unable to secure the article desired. Furthermore, what is merely a luxury to one man may easily be a necessity to another. Such is often the case with the motor car. In any event, the new system appears to be coming to stay, and, like everything else in existence, it will be taken advantage of by certain individuals, and will be used by others to their advantage.

Reclaim Used Rubber to Combat Price of Crude

The soaring price of crude rubber has resulted in increased attention to the reclamation of used rubber, by chemical process. Secretary Hoover, of the U. S. Commerce Department, says that with rubber at 35 cents it was profitable to produce about 20 per cent. of the needs of the continent by reclamation. At the present price he estimates that 40 per cent. can be turned back.

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OUTLOOK NEVER BETTER IN WEST AT THIS SEASON

Representative of The Post Finds Optimism Running High

From Staff Correspondent.

BRANDON.—After traveling through the Prairie Provinces for the past four weeks from Edmonton, the conviction grows that right now the Canadian West is in a better position than it has been for years. The situation in this district is definitely brighter and this is representatve of the general situation throughout the Prairie Provinces.

Prominent business men of this city who know the surrounding country like a book, such as C. A. Sneath, manager of the Royal Bank, and A. Shewan, department store proprietor, state that "things never looked better." They report a 25 per cent. reduction in the wheat acreage and although this at first does not look promising, it is more than offset by an increase of over 30 per cent. in the acreage put to coarse grains. They point out that it must be remembered that 63c. oats means 63c. for the farmer; whereas $1.75 wheat means in too many cases only $1.50 for the farmer, on account of the grading which at times is alleged to be unreasonable.

It is believed here that this grading being so unsatisfactory in many cases may partially account for the decrease in wheat acreage and the increase in coarse grain acreage.

Rains have greatly benefited all crops, for coming as they have after the ideal growing weather of the past month, the grain has shot up wonderfully well. This can be said also for nearly every point visited in districts contiguous to and lying between Calgary, Edmonton, Saskatoon, Regina, Moose Jaw and Souris. The grain too, is well-rooted and this means a great deal at this time of year, for it is generally known that grain with strong roots at this season speaks well for the harvest.

Considerable Building Going On

Another encouraging feature is the extensive building programs that have been undertaken throughout the West in practically every large centre, commercial buildings, such as warehouses, office blocks, stores; and private residences, a goodly number of which are being built in most cities this season. Construction work of this nature is especially noticeable in Calgary and Winnipeg, it being reported officially in the latter place that more building permits have been let there this spring than in any other year since the war. Real estate also looks brighter, judging from interviews with such authorities as A. O. Arnott, of the A. O. Arnott Co.; Mr. Pearson, of the Calgary Gas Co., and Mr. Hindsley, treasurer, of the P. Burns Co. in Calgary, all of whom expressed their faith in the West's ability to "come through" this year. Several real big land deals have also been made in Calgary and Winnipeg which have been centred about important business blocks during the past few weeks.

DUNNING WON OUT ON ECONOMY POLICY

Was Able to Make Favorable Showing on Provincial Debt Despite Criticism

From Our Own Correspondent.

REGINA.—While farmer members dominate, the new Saskatchewan house has seven lawyers and four physicians—two of these elected as government supporters and two as Progressives. Several of the defeated Conservative candidates belonged to the legal profession, but they were defeated not because they were lawyers but because they were Conservatives. A clergyman, a teacher, a newspaper editor, a druggist, a railway conductor, two insurance agents, two merchants and a miller add some variety to the house, but the main strength, of course, continues to be from the farm. There are thirty-one farmers on the government side of the house, and four of the six Progressives are farmers, so that more than half of the members are farmers.

Apparently the organized farmers kept out of politics at the last election as there were no candidates running as Grain Growers, Farmers' Union, etc., and the wheat pool apparently preserved strict neutrality throughout the campaign.

The election was fought almost entirely on financial grounds. The opposition candidates accused the government of being extravagant. Premier Dunning and his supporters insisted that Saskatchewan taxes and public debt are lower per capita than in any Western province and that Saskatchewan has made a larger net reduction and a larger percentage of reduction in its annual expenditures from local revenue than any other province in the Dominion. The government promised strict economy for the future and the electors apparently decided that the government had given pretty good service and the time for a change had not yet arrived.

Big Reduction Noted In Gasoline Reserves

NEW YORK.—Government figures on gasoline for April explain the strength in light oil and gasoline prices.

With 50,000,000 gallons taken from storage in a month of record production, showing the end of the winter storing season sixty days earlier than usual, predictions are that May will show at least 200,000,000 gallons taken from stocks.

April consumption undoubtedly exceeded estimates of even the most optimistic. Domestic demand of 27,030,000 gallons daily was the largest for any month in the history of the industry. It exceeded August, 1924, the peak of consuming season and the previous record month, when daily average domestic demand was 26,700,000 gallons.

Low Earnings of the Mortgage Companies Continued in 1924

But 71 Out of 87 Companies Reporting Paid Their Dividends Although 5 of These Did Not Earn Them—16 Companies Paid Nothing to Shareholders—Capital and Reserves Increased

Although there was some improvement in the payments of interest in Western Canada during 1924 as reflected in the statements of the loan and trust companies recently reviewed in detail in The Financial Post, the year for the companies generally showed little change as compared with other recent years since the deflation in the agricultural industry in Canada. Not only have these companies, which have played such an important part in the farming developments and the upbuilding of homes throughout the country, suffered contracting earnings as the result of the lower prices for farm products and the small profits of the farmers but they have had to contend with paternalistic legislation which has seriously undermined mortgage security and made it difficult to collect from those who would evade as well as those who could not pay; this especially refers to the Western provinces and to Alberta, where there are about a dozen prior liens to the first mortgage, in particular. With a continuation of present prices for wheat and other farm products and with good crops this year, the mortgage companies should benefit materially but there are still the legislative handicaps to contend with and heavy taxes to pay which make it difficult to make collections and discourage the employment of capital in new loans.

Taking the total net earnings of the trust and loan companies for 1924 the increase in profits was very small—only about $30,000 for the eighty-seven companies sending in their reports—but improvement was shown by twenty-nine loan companies and twenty-five trust companies, as compared with twenty-two loan companies and eleven trust companies reporting declines. However, when the earnings on the total investments of these companies are taken into consideration the returns upon which the shareholders are dependent are moderate indeed. Taking the paid up capital, surplus and reserves—the total funds employed—of the loan companies operating in Western Canada it is found that half of these companies made less than 6 per cent. and only three companies 7 per cent. or more, while ten companies actually made less than 5 per cent. The average for this group of companies was less than 5½ per cent. Of course, the earnings in relation to paid up capital were much higher, in some cases double, and over 9 per cent. on the average.

Of the companies whose reports were analyzed it was shown that seventy-one paid dividends and sixteen did not. The record in this connection may be summarized:

Companies reporting	87
Companies paying dividends	71
Dividends paid and not earned	5
Companies earning dividend	65
Companies not paying dividend	16

Of the eighty-seven companies, twenty-five loan companies and fifteen trust companies were able to add to their reserve funds, some of the others added small sums to their profit and loss balances, while still others drew on these funds to maintain dividends.

As compared with 1923 the mortgage companies showed an increase in capital from $65,316,489 to $65,546,493, while the trust companies showed a decline in paid up capital from $31,077,868 to $27,112,000.

The reserve funds of the mortgage companies increased from $35,695,113 to $48,967,619; of the trust companies from $12,561,800 to $12,872,000.

Following are comparative figures of earnings showing the loan companies which increased profits and those reporting decreases:

LOAN COMPANIES' HIGHER PROFITS

	1923	1924
Brockville Loan	$36,124	$37,236
Can. Perm. Mortgage	911,789	922,683
Central Can. Loan	217,357	237,213
Colonial Investment	12,285	31,441
Crown Sav. and Loan	20,299	20,583
Debenture Co. of Can.	15,890	24,743
East. Can. Savings	64,000	65,222
East Lambton Loan	17,002	17,709
Frontenac Loan	10,599	11,547
Grey and Bruce Loan	30,350	30,474
Guelph and Ont. Invest	91,538	95,809
Huron and Erie Mtge.	500,458	501,237
Hudson Bay Mtge.	3,132	3,721
Investors Mtge. Sec.	358,450	514,009
Landed Bank and Loan	116,840	131,180
London Loan and Sav.	71,349	72,626
Midland Loan	48,459	52,920
Mortgage Corp. of N.S.	42,696	43,779
Northern Can. Mtge.	33,713	34,267
N. of Scotland Can. Mtg.	179,215	207,830
*N.S. Sav. Loan and Bldg.	906,713	953,501
Ont. Loan and Deb.	265,580	273,840
P. Arthur & Ft. Wm. Mtg.	7,913	12,236
Royal Loan and Sav.	77,066	79,021
Security Loan	49,575	50,942
Sherbrooke Loan	27,418	28,257
Toronto Mortgage	91,618	99,860
Toronto Sav. and Loan	129,822	148,830
Western Homes	48,974	57,947
	$4,386,224	$4,760,165

*Earnings—expenses not deducted.

LOAN COMPANIES—LOWER PROFITS

	1923	1924
British Mortgage Loan	$88,854	$88,335
B.C. Permanent Loan	74,505	68,468
Canada Landed	132,455	131,534
Can. Mortgage Invest.	83,996	63,759
Empire Loan	16,235	15,600
Great West Perm.	63,658	38,686
Hamilton Provident	173,414	171,878
Home Invest. and Sav.	72,018	53,832
Indust. Mortgage	78,757	75,131
Invest. Corp. of Can.	146,365	113,590
Lambton Loan and Invest.	111,755	107,250
Montreal Loan	86,237	85,319
Northern Mortgage	130,497	123,126
Okanagan Loan	20,981	17,806
Queen Sound Loan	8,414	8,310
Peoples Loan	31,447	30,620
Real Estate Loan	43,564	36,378
Sask. Loan and Inv.	22,477	22,270
Scottish Prov. Inv.	1,902	1,108
Southern Loan	80,443	80,023
Trust and Loan	532,550	398,715
West. Can. Invest.	45,700	42,015
	$2,046,224	$1,773,753

Following are similar figures for the trust companies:

TRUST COMPANIES—HIGHER PROFITS

	1923	1924
Acadia Trust	$28,653	$31,738
Brantford Trust	18,186	19,792
Brit. Can. Trust	4,216	4,443
Can. Guaranty	5,189	6,027
Can. Perm. Trust	74,552	80,146
Canada Trust	94,018	107,343
Capital Trust	42,001	42,528
Chartered Trust	17,073	28,236
Crown Trust	52,588	55,246
Eastern Trust	92,879	109,856
Fidelity Trust	1,689	2,180
Gen. Administration	33,839	36,728
Guelph Trust	26,388	28,275
Imp. Can. Trust	22,931	35,477
Montreal Trust	239,575	254,349
Nova Scotia Trust	21,852	23,259
Premier Trust	8,607	8,869
Prudential Trust	2,342	4,260
Sask. Gen. Trusts	11,659	12,860
Standard Trusts	26,027	30,124
Sterling Trusts	33,096	35,343
Trusts and Guarantee	96,282	97,458
Union Trust	92,166	93,863
Victoria Trust	82,683	97,308
Waterloo Trust	62,657	63,482
	$1,190,088	$1,309,190

TRUST COMPANIES—LOWER PROFITS

	1923	1924
Brit. West. Trust	$6,943	$6,485
Consolidated Trust	12,027	11,321
Imperial Trust	5,266	2,274
London and Western	67,586	65,703
National Trust	286,660	187,107
Northern Trusts	104,141	56,446
Occidental Trust	7,634	7,340
Toronto General	299,326	273,690
Western Trust	62,358	54,598
Winnipeg Mercantile	3,919	2,512
Winnipeg Trustee	8,704	6,218
	$864,564	$673,689

Sugar Manufactured in Canada Shows Increase

From Our Own Correspondent.

MONTREAL.—For the four weeks period ending May 23, the total sugar manufactured in Canada amounted to 106,937,581 pounds as compared with 81,222,858 pounds for the same period last year.

For the year to May 29, the total rose from 310,733,850 pounds in 1924 to 398,596,596 pounds for the current year.

The sugar exports for the month of April amounted to 24,916,100 pounds as compared with 8,243,200 for April, 1924. The value was $1,666,108 as compared with $788,366 in 1924.

John Manning Van Heusen, manufacturer of soft collars, sued for $6,000,000 by John D. Bolton, who claims agreement was entered into with Mr. Van Heusen in 1913 whereby for his assignment of patent for soft collar fabric Mr. Bolton was to receive 33 per cent. of all profits in manufacture and sale of soft collars.

TOURIST TRAFFIC IN MARITIMES IS SHOWING INCREASE

Newfoundland's Attractions Are Drawing Many From Mainland

From Our Own Correspondent.

SYDNEY.—A marked increase in tourist traffic between the mainland and Newfoundland is noted by customs officers. Power development at Humbermouth to see the feats of engineering or to visit relatives among the army of 15,000 men employed, are the main reasons. Another is the unusual numbers of salmon swarming in the rivers this season—as well as the new liquor regulations which permit the sale of intoxicants by the bottle—a species of freedom which appeals particularly to U.S. residents. Nine hundred and two passengers from Newfoundland landed in North Sydney in May, as compared with 964 in April.

Humbermouth pulp and power project in southwestern Newfoundland is being felt generally. Chappell's Limited, Sydney, has a contract for the construction of a number of dwellings to house employees of the paper mills. Although vast forests surround the site, the country is still so primitive that lumber for the houses is being shipped in schooners from Sydney and Pugwash.

North Sydney Pulp and Lumber Co. has leased 30 square miles of timberland near the Humber and has contracted to supply the mills with a certain number of cords yearly, which will mean increased employment for Cape Breton lumbermen.

Schooner loads of choice varieties of sea-food are constantly arriving at the cold storage plants. Modern methods of fishing, particularly the "sea trap," are held to be responsible for the excellent showing. Enormous schools of cod and haddock are reported on the coast, particularly off Ingonish, where the waters are said to be literally teeming with haddock.

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Barrett ROOFINGS

The Securities Markets

BULK OF STOCKS NEGLECTED; FAIR INVESTMENT CALL

Summer Bargain Hunters Are on Job—Few Issues Are Cheap

MARKET INDICATOR
(20 Industrial Stocks)

Week June 10 High	Week June 10 Low	Week June 2 High	Week June 2 Low	June, 1924 High	June, 1924 Low
77.2	75.1	77.5	75.2	68.2	64.3

The market during the past week came near to being what many have expected for some time, erratic and somewhat neglected, with the tendency downward. The big bulk of the usual active issues stood practically neglected, while of the balance, over half registered declines. Advances were in the seasoned investment issues and banks. The volume of trading was not large. Take the total fo Dominion Canners and Brazilian from the figures for the week and there would be little left to go round. There is quite a bit of money available for the purchase of stocks at a price, say brokers, but everyone is expecting the holiday ease off and the result is that the usual summer bargain hunters have come to the front. So far the list does not present many bargains as there has been and is a steady demand for the wel tried issues, with the result that th floating supply of such stocks is by no means large.

The bank shares had an active week. Practically every issue in the group provided its share of the trading. The two feature issues of the last couple of weeks, Royal and Union, because of the merger, had a rather quiet week. The public evidently thinks they are high enough. Commerce, Dominion, Imperial and Toronto each bettered their position one point but on only 23 shares, Nova Scotia moved up 2¾ points. Since May 20, 49 shares of this stock have come out and the price has moved up from 265 to above 270, indicating that there is quite a scarcity of this issue.

Paper Merger Talk

Provincial and Howard Smith issues were back again in the limelight. Seemingly it was this proposed merger's turn to occupy the floor for the former moved up 3 points and Smith, 2. It was also the Abitibi-Spanish merger's turn to step into the background which they did with Abitibi common sacrificing 4½ and Spanish 2 points. The other papers were quiet.

It was a bad week for the steel group. Not an issue bettered its position, while seven slipped back. The news that the coal mines were flooding weakened the position of the two Besco preferred issues. Canadian Locomotive got back to 80 a low of the year. The company is in a strong financial position, but orders are not abundant and earnings are curtailed. The sale of 105 shares was the first transaction since way back in May.

Dominion Bridge and Steel of Canada were a little active, but selling was slightly in excess of the buying orders with the result that they ended the week's trading with fractional declines. The milling issues shared a bad week with the steels, Maple Leaf Milling report seemingly disappointed as the common slipped back 3 points and the preferred one. Otherwise the group was quite inactive.

Investment Demand

The issues one would expect to find strong among the utilities, scored the gains for the week. Bell Telephone and Consumer's Gas both made new highs at 140 and 172½, while Montreal Light and Power also hit a new high with a 3½ point advance. It since sagged a little to 191½. Shawinigan, which has been considerably in the limelight, advanced 2 points. Mackay common, with a fractional decline was the only reactionary issue.

Brazilian, always a speculative favorite, is very much in demand and selling at a new high for some time because of the improvement in the position of Brazilian Exchange which is at a higher level than it has been for some time. Every move up in the position of milreis means considerable to the company, with the bulk of its revenue in Brazilian funds, while its purchases are all made in dollars.

For no little time The Financial Post has been directing attention to the strong position and the outlook for Porto Rico common. There has been a steady accumulation of this issue going on for a considerable time. Seemingly the market around 40 and 41 has been dried up and the past week saw a 4 point advance to 46. This is 10 points above the opening bid of the year. Little stock is coming out. C. P. R. is getting back within striking distance of the March low. It is 139 now and the low was 137.

Industrials Quiet

The Penman textile issues are not plentiful and light buying during the week caused a 2½ point advance in the common while the preferred again moved to par. There are many who think well of the position of this issue. Canners, Cement, City Dairy and a couple of the Moore group were about the only industrials to have enthusiastic following during the week. All were higher by a point or less with the exception of Canners preferred which, because of the promising outlook for the stock in the division of assets, moved up into place with the common. The other issues to advance, all being well regarded, might be said to represent this group's contribution toward the investment demand for good stocks. Christie Biscuit, Gillman's and Dodge Bros., all recent listings were in good demand at higher prices. Atlantic Sugar, B. C. Fishing and the Asbestos shares were fractionally lower. National Breweries was the only loss of any account, 2½ points. The market trend is shown below:

Group	Gain	Loss	Unchg.	Total
Banks	5	0	5	10
Paper	3	5	2	10
Steel	0	7	6	13
Milling	0	2	7	9
Utilities	4	1	5	10
Transpor'n.	2	1	8	11
Textiles	1	1	11	13
Industrial	9	9	31	49
	24	26	75	125

SELLING ABOUT 25, MOUNT ROYAL HAS 16 P.C. ARREARS

Montreal Hotel is Doing Better During Present Year—Many Tourists

From Our Own Correspondent.

MONTREAL.—The Mount Royal Hotel Company, is gradually improving its position, both as regards earnings and its cash position. This is not intended though to indicate that at the present time preferred shareholders should be encouraged to look for a disbursement of some of the arrears in their dividends.

The earnings for the present year, that is for the first four months, show an increase in the net of $33,000. The increase in the gross earnings for the month of May shows another increase of $16,600. This should, at least, prove encouraging to the shareholders who will be able to see that the management's policy, through the work accomplished by Vernon Cardy the manager, in creating good will for the hotel, is bearing fruit.

The total preferred stock of the company, which is outstanding, amounts to approximately $6,800,000 and on July 1 next, the dividend on this issue will be 16 per cent. in arrears. In other words the total due to the preferred shareholders amounts to $1,088,000. Even admitting that the company could declare a dividend at the end of its fiscal year which is almost out of the question, it would appear a better policy, in so far as both the company and shareholders are concerned, to build up the company's position in order to ensure further payments and also to allow the hotel to take advantage of cash discounts which it would then be in a position to obtain. A glance at the board of directors of the company should be enough to assure the shareholders that no too precipitate dividend action would in any event be taken.

The Rate of Occupancy

The average rate of occupancy of the hotel ran during the year 1924 in the neighborhood of 54 per cent. For the present year, the management feel that an average occupancy of between 60 and 65 per cent. would be sufficient to earn the current preferred dividends.

The four summer months are the period in which the company does its largest business and indications for the present season are that the occupancy will run at about 90 per cent. during July and August, and in June and September it will be slightly less. This will help out in the lean months, and with the convention business, which the management is assiduously cultivating and endeavoring to book during the spring and Autumn, the company should eventually be in a more favorable position.

With regard to the convention business; so far this year the company has shown an increase of over 35 per cent., probably nearer 40 per cent., in its advance bookings of conventions, social functions and tourist parties. The average occupancy for the first five months of the current year shows an increase of over 7 per cent. for over the corresponding period in 1924. Also the increase in the average daily gross revenue to date amounts to over $500. Coupled with the mounting gross revenue of the hotel, the management has been able to make substantial cuts in its operating expenses; one of the contributing factors to this, is the fact that wages are lower and each month sees a lower wage bill for the hotel to meet.

Company is Handicapped

Despite the fact that the hotel was constructed at the peak of building costs, it has been paying its operating costs; a handicap which has caused many other concerns, which began operations during the same period to go under.

The present position in which the company finds itself does not encourage the hope of dividends, but the preferred stock is now changing hands at around 25 which may appear low to some who feel that the hotel has been operating under the most adverse of conditions since its inception; probably, too, the dividend arrears of 16 per cent. may make for some enhancement in present prices.

List Dodge Motor Shares On Toronto Exchange

Dodge Bros. preferred and class "A" common were listed in Toronto this week. The preferred are 7 per cent. cumulative with 850,000 issued and 1924 earnings were equal to $21 a share, after all charges including interest on the 6 per cent. debentures. There are 1,500,000 class "A" common issued. As the New York Stock Exchange current quotations show a market value of about $80 for the preferred and $22 for the class "A" common. These were offered on the unit basis of $100 which shows a $2 advance. Preliminary figures on May earnings show a 40 per cent. increase over May, 1924. The second quarter of the year is expected to better the showing of the first which was materially over 1924. Net earnings were $6,291,544 before deducting federal income taxes, but not including $644,633 profit from the sale of real estate. These earnings were 177 per cent. of net income for the first quarter of 1924 and exceeded by more than 39 per cent. the earnings of any corresponding period of any other year since 1920.

Indications were said to justify the expectation of the company that its earnings for the year would be larger than those of any other single unit in the automobile industry with the exception of the Ford Company. Its sales in Canada, where Dodge Bros., Inc., have their own assembling plant, rank among the four greatest of all automobile companies operating in the Dominion.

DETROIT UNITED RYS. ASKS $40 ASSESSMENT

Shareholders Are to be Asked to Subscribe More Capital

From Our Own Correspondent.

MONTREAL.—The shares of the Detroit United Railways took another decline on the Exchange this week—this is due to the fact that it is understood that the company is to ask its shareholders for a cash assessment amounting to $40 per share.

It has been impossible to obtain official confirmation, but it is generally known that in the present condition in which the company is in, no half measures are advisable. The plan which, it is generally agreed, will shortly be announced includes the $40 assessment per share. For this the stockholder will receive to the full total of his assessment a general mortgage 6 per cent. bond and in addition, he will receive some preferred and some common stock A stock. Should the shareholder decline to pay his assessment he will receive stock ranking as Common B.

BONUS ON SMELTERS

Consolidated Smelters shareholders may expect a bonus on the stock before the end of the year. There were those who looked for some such action at the recent meeting and a three point break in the market price of the stock registered the disappointment felt. It was not intimated in any way what form the bonus might take and it was not positively stated that one would be paid, but it is reasonably certain that some action will be taken.

AUTOS PROBLEM OF DULUTH-SUPERIOR

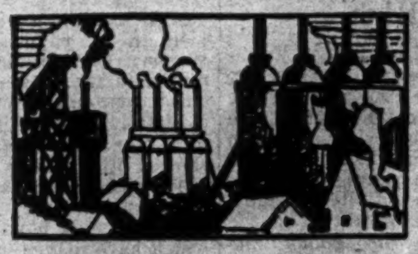
Cutting Into Receipts and Dividend on Common Stock is Deferred

Because of conditions affecting earnings outlined in The Financial Post three weeks ago in discussing dividend prospects for Duluth-Superior Traction, the directors of the company at their meeting this week deferred action in regard to a distribution of the common shares. This course will be a disappointment to shareholders in view of the prospects held out by President Robertson around the first of the year, but it was felt that the recent showing in regard to gross income did not warrant action at this time and the matter was left over until next quarter.

The earlier dividend prospects were largely based on the showing of about ten per cent. increase in gross income which was made during the first months of the year, but latterly this rate of increase has not been maintained. Earnings are better than a year ago but not quite so good as in 1923. In Duluth the improvement for May was about 12 per cent. but in Superior the earnings showed a decline of about 5 per cent., cutting the general improvement below the 10 per cent. which it was hoped to be able to maintain.

As with so many other street railway companies, the automobile has created Duluth-Superior's main problem. Not only is there jitney competition to be considered but the ever-increasing number of car drivers cuts seriously into traffic returns. The company is still experiencing some competition from jitneys in Superior and the council does not seem inclined to take a definite stand on this issue of competition, while in Duluth, where the jitney competition has been restrained, there is still the issue of the increased fares and until it is settled the margin of profit on operation is a doubtful quantity even though gross returns are showing a nice increase.

Water Power ~a Key to Industry



Attracting Industry

The following industries, many of them branches of American concerns, attracted by dependable and economical power facilities, have located in recent years in the Eastern Townships of Quebec.

Can. Connecticut Cotton Co., Ltd.
The Panther Rubber Company
Dominion Hair Felt Company
Kenworthy Bros. Company
The Dominion Blank Book Co.
Edwin G. Schutz Company
Can. Manhasset Cotton Co. Ltd.
Can. United States Knitting Co.
Premier Silk Mills, Ltd.
Waterville Veneer & Panel Co.
Can. H. W. Gossard Co., Ltd.
Butterfly Hosiery Co.
Jenckes Canadian Company
Macdonald Wire Goods Co.
Dom. Silk Dyeing & Finishing Co.
Franco-Can. Dye Works, Ltd.
Paramount International Co. of Can., Ltd.

Canada with her 18,255,000 H.P. of undeveloped water power (32,076,000 H.P. six months in the year) has a great industrial future in store.

The capital which makes possible the development of these water powers will be safely and profitably invested and will benefit the whole nation.

We have prepared a new booklet on Canadian Water Powers. Write for a copy

NESBITT, THOMSON & COMPANY
LIMITED
305-7 Bank of Hamilton Building, TORONTO
Montreal Hamilton London, Ont. Winnipeg

416

$5,925,195

Province of British Columbia Guaranteed

4½% Coupon Bonds

(Issued by Pacific Great Eastern Railway Company)

Dated 15th January, 1925. Due 15th July, 1942.

Principal and half-yearly interest (15th January and 15th July) payable at the Canadian Bank of Commerce in Victoria, B.C., Vancouver or Toronto, or at the office of Brown, Shipley & Company, in London, England, in sterling at the fixed rate of $4.86.66 to the £.

Registerable as to principal.

Denominations: $1,000 and $500.

Subject to favorable legal opinion of E. G. Long, K.C.

This issue of $5,925,195 bonds of the Pacific Great Eastern Railway Company consists of $2,565,195 First Mortgage 4½% Guaranteed Bonds, and $3,360,000 4½% Guaranteed Bonds, all of which equally enjoy the guarantee of the Province of British Columbia as to principal and interest and, in the opinion of counsel, are secured by the full credit and taxing power of the Province equally with its direct obligations.

The government of the Province of British Columbia has undertaken to initiate legislation establishing a Sinking Fund of $325,930.75 per annum payable out of the Consolidated Revenue Fund which will be sufficient to meet, by July 15th, 1942, 40% of the entire issues of the Pacific Great Eastern Railway Company's securities, guaranteed by the Province, aggregating $20,160,000, composed of $16,800,000 First Mortgage 4½% Guaranteed Bonds issued at the rate of $35,000 per mile over 480 miles, and $3,360,000 4½% Guaranteed Bonds (Second Mortgage) issued at the rate of $7,000 per mile over the same mileage.

The guarantee of the Province of British Columbia is endorsed on each bond as follows:

GUARANTEE

"By virtue of the powers conferred by the legislature of the Province of British Columbia, Canada, and of order of the Lieutenant-Governor-in-Council, the Province of British Columbia hereby guarantees to the holder of the within bond for the time being payment of the principal and interest thereof according to its tenor.
Minister of Finance."

In 1918 the Province of British Columbia became the owner of the Pacific Great Eastern Railway, through acquiring all the issued capital stock, since which time the railway has remained in the full possession and control of the Province.

We offer these bonds if, as and when issued and accepted by us.

PRICE: 94.21 and interest, yielding 5%

A. E. Ames & Co. Limited

Wood, Gundy & Co.

Dominion Securities Corporation Limited

The statements contained herein, are based upon information which we believe to be reliable, although we cannot guarantee their accuracy.

REPORT OF MAPLE LEAF MILLING IS MUCH BETTER ONE

Profits Are Higher While Active Operations Are Indicated by Figures

Maple Leaf Milling showed a profit from all sources for the year ending March, 1925, of $520,604, which compares with $334,062 in 1924 and $645,121 in 1923. Unfortunately the company in the last couple of years has abandoned the policy of separating operating income from investment and other income, so that it is difficult to generally size up the operating position. It is equally difficult to size up investment income as compared with other years as there was a heavy liquidation of investments between 1923 and 1924 while in the past year there has been a radical change in the position of what is considered its most important investment, Canada Bread common. The investment figures for the past three years follow:

	Investments	Income
1923	$4,805,672	$260,663
1924	2,198,113	......
1925	2,172,145	......

The company's report does not itemize investments but it is credited with holding 13,000 shares of Canada Bread common. Just what valuation this has been carried at is unknown, but since the last annual report was issued the value of the shares has almost doubled. On March 31, 1924, they were selling at 63 and on March 31, 1925, at 120. This would make the valuation of 13,000 shares, $819,000 for 1924, $1,560,000 for 1925. Another very important change in regard this investment is that in April, 1924, the month after the close of the Maple Leaf fiscal year, a 4 per cent. dividend was declared on this stock and up to the end of the 1925 fiscal year there had been three additional dividends of one per cent. and one since the close of the 1925 fiscal year. This would mean that the investment income of Maple Leaf for the year closed would include $7 a share on 13,000 shares, or $91,000.

Whatever the source of the income, 1925 net earnings at $520,604 are materially higher than 1924, which stood at $334,061 and $235,841 in 1923. The two previous years show a deficit because of the payment of common dividends. This year there were no common disbursements. The disbursement of net profits this year shows bond interest $127,836. This is a full year. The company issued $2,000,000 6½ per cent. first mortgage bonds in 1924 fiscal year and only a part year's interest was chargeable to 1924 earnings. During the year just ended, however, the company, from time to time, made redemptions totalling $50,000 and this also reduced the interest charges. Surplus as a result of this year's earnings stands at $1,829,114 and is second to the high of the company's history, 1922, when the figures were $1,834,111. The profit and loss figures follow:

	1925	1924	1923
Oper. profit	......	......	384,456
Inv. profit	......	......	260,663
Total	......	......	645,119
Interest	......	......	349,507
Income tax	......	......	59,772
Net Earn.	520,604	334,061	$235,841
Div. pref.	205,100	205,100	203,100
Ditto	......	50,000	200,000
Def. mile end mill	......	37,304	......
Bond int.	127,836	65,063	......
Balance	$187,668	x23,406	x169,260
Bal. fwd.	1,641,446	$1,664,852	$1,834,111
	$1,829,114	$1,641,446	$1,664,852

xDeficit.

	1925	1924	1923
Earn. on pref.	13.40	7.10	8.05
Earn. on com.	7.50	1.06	1.23

There has been a slight improvement in working position but the chief interest of these items is the activity which they indicate. Current assets and current liabilities are both shown to be over $5,000,000 higher. In the former the increase is shown in accounts receivable and inventories, the former being up $800,000 and the latter $4,400,000. An interesting sidelight or prospect in regard the large inventory increase to $7,406,744, is that the company may possibly have been carrying heavy stocks of cheap wheat which since the fiscal year ended has sold at $2. Further conjectures in this regard are fathered by the position of current liabilities. Bank loans, which in 1923 stood at $5,717,703 and were reduced in 1924 to $1,711,298, are this year standing at $6,929,170. This might indicate that the company borrowed heavily from the bank to buy wheat. This loan, however, along with the large inventories, may have had some connection with the large Russian flour order which ran into millions, but which order has now been filled and paid for.

Working position follows:

	1925	1924	1923
Curr. assets	12,811,024	7,084,695	13,498,125
Curr. Liat.	8,586,585	3,398,663	10,584,890
Wkg. Cap.	$3,724,439	$3,686,032	$2,913,235

Besides the redemption of $50,000 in bonds, the company during the year added another $50,000 to reserves and depreciation. The latter and bad debt reserves are both higher while contingent reserve is $37,000 lower. The depreciation and reserves totals stand at $1,813,937 as compared with $1,763,332. The mortgage, payable on property acquired, which in 1924 was $23,000 has also been reduced $10,000. There is a slight increase in fixed assets while goodwill and trademark account stands unchanged.

At the end of the last fiscal year Maple Leaf common was selling at 62 and preferred at 92. They closed the calendar year of 1924 at 81 and 99½ and sold up to 98 and par in January and are now at 86 and 98 respectively. Certain movements in Canada Bread during the year were said to be responsible for the fluctuations.

Another important factor in regard the company's Canada Bread investment is that the company will have 13,000 shares of the new 7 per cent. preferred which will ensure it of an income of $91,000 yearly, if it continues to hold it, and in addition will share in the distribution of the new common.

Havana Electric is Now Mentioned in Merger Talk

NEW YORK.—With rumors of mergers and buying for control by certain large interests involving one property or another running rampant in utility circles, it is but natural that the advance in the stock of the Havana Electric Railway, Light & Power Co. after several years of lethargy should also be attributed by many to these same factors, says the Wall Street Journal. Although, as usual in such matters, the customary denials are made, the present position of the American & Foreign Power Co. in the West Indies would seem to give some credence to the fact that the Electric Bond & Share Co. has more than a passing interest in the Havana Co. At the end of 1924 American & Foreign Power had nine subsidiaries operating in Cuba with transmission lines running to within a short distance of those of the Havana Electric. Thus a physical connection of its properties with those of the Havana Co. would be but a simple matter.

That the Havana Electric Railway, Light & Power Co. would prove an important asset to any group fortunate to acquire it at the proper figure may be seen from an analysis of its balance sheet and earnings. Facts presented in these statements would alone seem to justify the present strength in the company's common stock.

RAPID EXPANSION IN PRODUCTION OF RAYON

More Than 200 Plants Now Operating on Large Scale In Sixteen Countries

The large number of enquiries and comments which followed the recent appearance in these columns of a summary of the progress of the rayon or artificial silk industry is evidence of the growing interest in this new textile product. According to a study made recently by the United States Tariff Commission consumption of this material in the United States has increased from 4,111,000 pounds in 1915, to 38,850,000 pounds last year. The demand for rayon has been greatly increased in the last two or three years, not only by style influences which are favorable, but also because manufacturers in the various trades are becoming more familiar with its value as a textile fibre and are acquiring greater experience in handling the silk and in preparing it for the weaving and knitting industry. The commission, however, issues a warning against entering this field too rapidly without sufficient capital and without a trained personnel.

An instructive article which appeared in a recent issue of the Silk Journal, a British publication, states that there are approximately 200 plants in 16 producing countries. Attention is called to the large increase in output, especially in Italy, where the volume of production this year will be second only to that of the United States, which is estimated at 18,000 metric tons. The Italian output is estimated at 15,000 tons.

Following is a statement of the output of the various countries:

	Metric tons
England	13,000
Austria	2,500
Belgium	5,500
Czecho-Slovakia	1,500
France	7,000
Germany	12,000
Holland	2,000
Hungary	300
Italy	15,000
Japan	600
Poland	1,000
Russia	40
Spain	100
Sweden	80
Switzerland	2,500
United States	18,000
Total	81,120

Fight to Gain Control Of Toronto Finance Corp.

There is a warm contest over control of Toronto Finance Corp. A shareholders meeting was held during the week and was featured by spirited controversy. The company was reported as doing fairly well, all things considered. Manager Butler said the company had $515,000 in mortgages and only 20 of its clients are behind in their payments. He declared that if the company never paid another cent there were sufficient assets to take care of the preferred at 100 cents on the dollar.

W. B. Brooks, Brooks Securities, who promoted the company is out to regain control. There is a dispute on in regard the common stock and arguments in regard the issuance of some 504,000 shares were recently heard in the courts and decision reserved. It is said that Mr. Brooks holds 29,400 shares and claims that there are 21,000 shares in the treasury coming to him. On the other hand, Manager Butler says those in control want the common shares cancelled, contending that the grounds these shares were issued on were illusionary. The end of the fight is not yet, but the next move will not likely come until the decision of the court, now awaited is handed down.

UNLISTED SECURITIES

Industrials, Utilities, Etc.—	Bid	Asked
Brooks Steamer (1 pref., 2 com).	..	7
Can. Machinery, com.	3½	6
Can. Machinery, pref.	14	17
Canadian Oil, pref.	94	96
Can. Westinghouse, com.	145	151
Cockshutt Plow, pref.	33½	36½
Cosgrave Brewery	6	6½
Dom. Comb. Mill (1 pref, 2 com.)	30	40
Dom. Power, pref.	93½	96
Durant (A)	4	5
Durant (B)	5	6
Durant (C)	6	7
English Electric, pref.	34	36
Famous Players, com.	12½	13½
Gunns, Ltd., pref.	32	35
Imperial Tobacco	6½	7½
King Edward Hotel Deb. A.	67	70
King Edward Hotel Deb. B.	44	47
K. & S. Tire, pref.	8	10
Loew's Toronto, com.	27	29
Loew's London, com.	1	2
Loew's Ottawa, pref.	14	17
Massey-Harris	48	50
Mount Royal Hotel, com.	3½	4
Mount Royal Hotel, pref.	24½	26
North Mexico Power, com.	33	35
Manitoba Power, com.	18	20
Rickenbacker Motors	3½	4½
Simpson, Robt., pref.	97½	99
United Securities, com.	54	56
Western Grocers, pref.	28	31
Loans and Insurance—		
Capital Life	24	27
Chartered Trust	78	90
Continental Life	28	32
London Loan	45	..
Manufacturers Life	62	67
Mortgage Discount, pref.	6½	7½
Monarch Life, 10% paid	18	18
Peoples Loan	75	81

K. and S. Tire Finished the Past Year With Deficit

K. & S. Tire and Rubber net earnings for the year ended December 31, 1924, were $15,966. Bond interest absorbed $26,880, and other debits against the profit account brought the total to $32,897. As the balance brought forward was $6,514, the deficit carried into the current year was $25,392. The company's earnings in 1923, before interest and depreciation, were $95,104, and those for 1922 were $114,488.

Net earnings of the company for the first three months of 1925 showed improvement, totalling $12,956. After interest charges and reserve for bad debts, the net profit was $191. The company's net working capital as of March 31 was improved to the extent of $10,000, current assets being $724,606, as against current liabilities of $587,040, leaving the working capital at $137,566. The deficit stood at $24,992.

Working Capital the Need of Oak Tire and Rubber

Reorganization of the finances of Oak Tire and Rubber with the idea of providing additional working capital, is on tap. No decision as to how this is to be worked out, has been arrived at as yet, but it is possible that there will be a reduction made in the number of shares outstanding and those recalled returned to the treasury for refinancing. The company has a large amount of orders on hand, its product having won an excellent position in the tire market, but owing to the crippled condition of working capital, but one shift has been operating and the company is behind on deliveries. It is also hoped that in the reorganization the goodwill item, carried in the balance sheet at $1,400,000 will be reduced to proportions in keeping with the company's present scope. The past year saw the company improve its position, the deficit of $37,000 for the previous year being reduced to a net loss for the past year of $6,200.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING JUNE 9

	Div. Rate	Yield June 9	High for wk.	Low for wk.	Close June 9	Close June 2	Sales	Range 1925 High	Range 1925 Low
Banks—									
Commerce	12	5.94	202	200½	201	201	226	210	194½
Dominion	12+1	6.59	198	195	198	196	102	200½	189
Can. Nationale	10	6.66	150	150	150	150	263	151	148
Imperial	12	6.48	186½	184½	186½	185½	160	193	184
Montreal	12	4.87	246½	245	246	246½	72	250	240½
Nova Scotia	16	5.92	270½	270½	270½	267½	23	270½	262
Royal	12	5.10	237½	235½	236	237½	214	237½	227½
Standard	12	7.01	171½	170½	171½	172½	202	175	170
Toronto	12	5.97	201	200	201	199	6	221	192½
Union	8	6.89	116½	115	115½	116	151	117½	105
Paper—									
Abitibi, com.	4	5.55	73½	69½	70	74½	2696	75	62
Do. pref.	7	6.48	..	..	..	..	....	108	101
Brompton Pulp	.	....	24	23½	23½	24	210	33½	21
Laurentide	6	7.50	81	79	79	79½	373	85½	78½
Price Bros.	2	5.00	40	38½	40	39	716	40½	35½
Prov. Paper, com.	6	5.40	111½	108	111	107	285	111½	88½
Do. pref.	7	6.86	..	..	..	..	....	102	95
Belgo Paper, com.	6	....	86	84	84	..	125	86	84
Do. pref.	7	....	99	98½	98½	99	88	99	98½
Smith, Howard, com.	.	....	49	39	39	38	100	42	21½
Do. pref.	8	7.69	104	104	104	104	50	104½	69½
Spanish River, com.	7	6.36	111	107½	108½	110	2165	111½	87
Do. pref.	7	5.73	123	122	122	121½	490	127	112½
St. Maurice Paper	6	6.97	..	..	..	..	....	86	80
Wayagamack	.	....	44½	44½	44½	44	25	52	34½
Steel and Steel Industries—									
B.E. Steel, com.	.	....	1½	1½	1½	2	80	3½	1½
Do. 1st pref.	.	....	27	26	26	27½	45	34	25½
Do. 2nd pref.	.	....	8½	7½	7½	8½	1255	11½	7½
Can. Car & Found., com.	.	....	42½	41½	41½	43	60	57½	41½
Do. pref.	7	8.38	83½	80	80	83½	122	90½	80
Can. Foundries, com.	.	....	..	..	..	..	....	35	20
Do. pref.	.	....	..	..	..	..	....	50	45
Can. Locomotive, com.	.	....	..	..	..	..	....	71½	64
Do. pref.	7	8.75	80	80	80	83½	10	90	80
Dominion Coal	.	....	..	..	..	..	....	50	40
Dominion Iron, pref.	.	....	..	..	..	..	....	28	25
Dominion Radiator	7	7.00	..	..	..	..	....	102½	100
Dominion Bridge	4	4.40	91½	90½	90½	90	93	94½	77½
Dom. Steel Corp., pref.	.	....	25½	25	25	25	50	38	25
N.S. Steel, pref.	.	....	..	..	..	..	..	32	28
Ontario Steel, com.	4	7.24	55½	55	55½	55	55	56½	43
Do. pref.	7	7.07	99½	99½	99½	99	5	100	91½
Canada Iron, com.	.	....	..	..	..	..	..	8	8
Do. pref.	.	....	..	..	..	..	..	35	34
Steel of Canada, com.	7	8.18	86	85½	85½	86	566	89	75½
Do. pref.	7	6.42	110	108½	109½	108½	91	112	105
Milling—									
Canada Bread, com.	4	3.52	124	123½	123½	123½	110	125	98½
Do. pref.	7	6.52	107½	107	107	107	50	107½	100
Inter. Milling, pref.	7	7.19	97½	97	97	97½	82	102	97
Lake of Woods, com.	12	6.81	176	176	176	176	50	188	176
Do. pref.	7	5.60	..	..	..	..	..	125½	121
Maple Leaf, com.	.	....	87	86	86	90	125	100	80
Do. pref.	7	7.14	98	97	97	98	81	101	96
Ogilvie Flour, com.	3½	3.55	..	..	..	..	..	150	135
Do. pref.	7	5.51	126	126	126	127	6	127	121½
Shredded Wheat, com.	10	6.45	..	..	..	..	..	155	155
St. Law. Flour, com.	4	....	32	32	32	32	280	65	27
West Can. Flour	8	7.14	110	110	110	112	57	112	107
Utilities—									
Bell Telephone	8	5.75	140	138½	139½	138½	904	140	133
Consumers Gas	10	5.79	172½	171½	172½	171	83	172½	164
Dom. Telegraph	6	....	..	..	..	..	..	50	46½
Kaministiquia	8	7.27	..	..	..	..	..	125	100
Laurentide Power	.	....	97½	97½	97½	98	5	98	93½
Mackay, com.	7	5.78	122½	120½	121½	122½	223	123½	114½
Do. pref.	4	5.88	68½	67½	67½	68½	163	69½	67
Mexican Light, com.	.	....	25	25	25	25	3	26½	22
Do. pref.	.	....	..	..	..	..	....	62½	57
Mont. L. H. & Pr. Cons.	8	4.14	193	188	191½	188	11205	193	152
Montreal Telegraph	8	6.95	46½	46	46	46	7	55	45
Ottawa L. H. & Pr.	6	6.12	98½	98	98	98½	85	105	96½
Do. pref.	6½	6.43	101½	101	101½	102	65	105½	101
Quebec Power, com.	5	5.00	100½	99½	100	100½	230	102	85
Do. pref.	7	6.54	..	..	..	..	..	109½	103½
Shawinigan	7	4.68	151	149	151	149½	1869	151	130½
South. Can. Power, com.	1.00	....	79	79	79	78½	50	84	67
Do. pref.	6	5.51	..	..	..	..	..	121	108½
Transportation—									
Can. Pacific Rly.	10	7.14	140½	139	139½	140	136	152½	137
Can. Steamships, com.	.	....	11	10½	11	11½	16	13½	10
Do. pref.	.	....	45	44	45	45	385	50	42
Tractions—									
Barcelona	.	....	20½	20	20½	20½	94	23	18½
Brazilian	4	7.23	55½	52½	55½	53	16033	57½	49½
Detroit Un. Rly.	.	....	6	3½	6	8	911	29	3½
Duluth-Superior	.	....	39	37½	39	39	6	42	35
Illinois Traction, pref.	6	6.28	..	..	..	..	..	95½	92
Montreal Trams.	10	6.06	..	..	..	..	..	173	160
Ottawa Traction	4+1	7.75	..	..	..	..	..	65½	62
Porto Rico Rlys., com.	.	....	46	45	46	42	315	46	35½
Do. pref.	7	7.95	88	88	88	87½	25	91½	84
Quebec Rly.	.	....	24½	24½	24½	23½	50	24½	20
Twin City, com.	4	6.25	65½	64½	65	66	877	70	58
Do. pref.	7	7.21	..	..	..	..	..	97	94½
Winnipeg Electric, com.	1	....	45½	45	45	45½	665	49½	35½
Do. pref.	7	7.29	96	95	96	95	95	98	88
Textiles—									
Can. Conn. Cotton, pref.	1	....	..	..	..	..	..	50	40
Can. Converters	7	8.38	84½	83½	83½	84	125	87	80
Can. Cottons, com.	8	6.83	117	117	117	117	1	117	106
Do. pref.	6	6.52	..	..	..	..	..	95	90
Can. Woollens, com.	.	....	10	10	10	11	10	14½	5
Do. pref.	.	....	56	56	56	56	2	58	45
Dom. Textiles, com.	4.00	5.12	78½	78	78½	78	803	78½	66
Do. pref.	7	6.06	..	..	..	..	..	116	111
Monarch Knitting, com.	.	....	..	..	..	..	..	45	30
Do. pref.	.	....	48	48	48	50	10	80	45
Montreal Cotton, com.	6	6.09	..	..	..	..	..	99	95
Do. pref.	7	6.14	..	..	..	..	..	114½	109
Penmans, com.	8	5.06	159	156½	159	158	65	159	144
Do. pref.	6	6.00	100	100	100	100½	20	101	99
Wabasso Cotton	4.00	7.01	..	..	..	..	..	60	56
General Industrials—									
Amer. Salesbook, com.	4.00	8.16	49	48	49	49½	118	50½	38
Do. pref.	7	7.69	92	90½	92	85	35	93	88
Asbestos, com.	1	....	77½	75½	75½	77½	897	81	35
Do. pref.	6	5.50	110	108½	108½	110	1119	112	73½
Atlantic Sugar, com.	.	....	26	24½	25	26	1170	27½	13
Do. pref.	.	....	..	..	..	..	..	82	40
Bird & Son, pref.	7	....	..	..	..	..	..	83	80
B.C. Fishing	.	....	40½	39	39	40½	1505	41½	19
Burt, F. N. com.	10	4.76	52½	50½	51½	53	166	54½	44
Do. pref.	7	3.50	..	..	..	..	..	200	142½
Canada Cement, com.	6	5.74	105	104½	104½	105	690	110½	90½
Do. pref.	7	6.16	113½	112½	113½	113½	86	115½	107
Cons. Rubber, pref.	7	8.14	..	..	..	..	..	90	86
Can. Gen. Electric, pref.	7	6.54	53½	53	53	53½	98	55	51
Can. Indust. Alcohol	1.28	7.76	16	15½	15½	16	375	20½	15½
Canadian Salt	8	6.66	..	..	..	..	..	120	112
Carr. Factories, com.	.	....	..	..	..	..	..	2½	1
City Dairy, com.	12	3.75	81	80	81	80½	155	87½	65
Do. pref.	7	6.54	107	107	107	106	9	110	104½
Crows Nest Coal	3	....	44	44	44	44	51	49½	35
Cuban Can. Sugar, com.	.	....	5	5	5	5	10	10	5
Do. pref.	.	....	32½	31	32½	32½	44	44½	31
Dom. Canners, com.	.	....	113	106½	109	109½	5117	113	56½
Do. pref.	7	6.36	110	103½	108½	104½	1199	110	94
Dom. Glass, com.	7	6.16	113½	113	113	113	45	116½	108½
Do. pref.	7	6.30	..	..	..	..	..	112	110½
Dominion Stores, com.	1.00	....	32½	32½	32½	32½	135	34	28½
Do. pref.	8	7.92	101	101	101	101	5	101	97½
Davies, Wm. A.	.	....	25½	24	24	25½	210	32	24
Eastern Theatres, com.	.	....	..	..	..	..	..	15	14
Do. pref.	7	9.52	..	..	..	..	..	76	70
Ford Motor	10	....	..	..	..	..	..	512	512
Goodwins, com.	.	....	..	..	..	..	..	50	50
Do. pref.	.	....	..	..	..	..	..	80	75
Goodyear Tire, pref.	7	7.25	96½	96	96½	96½	72	100½	90
Frontenac Brew., com.	.	....	65	65	65	65	50	65	54
Do. pref.	7	9.52	..	..	..	..	..	76	73½
Holt, Renfrew, com.	.	....	..	..	..	..	..	21	20
Christie Biscuits	.	....	43	43	43	40	200	43	31½
Gilman, pref.	.	....	106	95	97	105½	152	107	95
Do. com.	.	....	91	91	91	95	30	95	80
Dodge, com.	.	....	22½	22	22½	..	210	22½	22
Do. pref.	.	....	80½	80½	80½	..	175	80½	80½
King Ed. Hotel	.	....	..	..	..	..	..	27	20
Lyall Construction	.	....	..	..	..	..	..	29	11
Macdonald, A.	.	....	..	..	..	..	..	11½	4½
National Brew., com.	4.00	7.76	53½	48	48	52½	5520	68	41½
Do. pref.	7	7.07	..	..	..	..	..	106½	98
National Brick, pref.	7	9.45	74	74	74	74	3	79½	70
Pacific Burt, com.	6	6.41	..	..	..	..	..	96	93
Do. pref.	7	6.86	..	..	..	..	..	107	102
Port Hope Sanitary, com.	.	....	..	..	..	..	..	60	53
Do. pref.	7	7.69	..	..	..	..	92	92	88½
Pure Gold Mfg.	50c	....	23½	23½	23½	23½	75	25½	23
Rogers, Wm. A., com.	.	....	..	..	..	..	..	65	58
Do. pref.	7	7.77	90	90	90	88½	12	95	88
Russell Motor, com.	.	....	..	..	..	..	..	85	24
Do. pref.	7	8.23	85	85	85	86	10	86	74½
Sawyer-Massey, pref.	.	....	12½	12	12½	12½	87	12½	5
Sherwin-Williams, com.	6	4.72	..	..	..	..	..	130	115
Do. pref.	7	6.48	108½	108½	108½	108	45	110	104½
Sterling Coal	4	9.87	40½	40½	40½	42	120	53	40
Tooke Bros., pref.	.	....	..	..	..	..	..	56½	37
Tuckett Tobacco, com.	4	6.15	65	65	65	67	80	70	59
Do. pref.	7	6.93	101	101	101	101	30	102½	96½
Woods Mfg., com.	.	....	34	33	34	33	28	49	20
Do. pref.	7	10.00	..	..	..	..	..	75	64½
Trust and Loan—									
Canada Landed	10	5.15	97	95½	97	95	101	97	80
Can. Permanent	12	5.97	201	200½	201	208½	8	209	190
Colonial Invest.	6	....	..	..	..	..	..	4½	4
Hamilton Prov.	10	6.45	..	..	..	..	..	156	154
Huron & Erie	7	5.60	..	..	..	..	..	125	125
Landed Banking	9	6.33	..	..	..	..	..	142	142
Montreal Loan	12+1	6.76	..	..	..	..	..	48	45
National Trust	12	5.47	..	..	..	..	..	223	210
Ontario Loan	11	5.50	..	..	..	..	..	109	99
Real Estate Loan	7	8.04	..	..	..	..	..	88½	87
Toronto Gen. Trusts	12	5.71	..	..	..	..	..	212	208
Toronto Mortgage	10+1	5.97	..	..	..	..	..	92	87½
Union Trust	7	8.23	..	..	..	..	..	80½	80½

MINING STOCK QUOTATIONS

WEEK ENDING JUNE 9

	Par Value	Div. Rate	Yield	High for wk.	Low for wk.	Close June 9	Close June 2	Sales for wk.	Range 1925 High	Range 1925 Low
Apex	$1	..	..	2½	2½	2½	2½	500	6½	2½
Algonquin	1	..	..	..	..	..	..	....	3	1
Argonaut	1	..	..	24½	23	24	25	46800	48	22½
Atlas	1	..	..	3½	3	3½	3½	17000	5	3
Baldwin	1	..	..	3½	2½	3	2½	21800	7	2
Beatty	1	..	..	..	..	..	..	....	1½	½
Barry Hollinger	1	..	..	45	40	45	40½	15500	50	40
Beaver	1	..	..	27	25½	25½	27½	12600	37	25½
Bidgood	1	..	..	7	5½	7	6½	12500	16½	5½
Boston Creek	1	..	..	..	..	..	..	....	7	4½
Buckingham	1	..	..	3	3	3	3	13000	5½	2½
Can. Lorrain	1	..	..	32	31½	32½	32½	1300	50	31½
Capitol	1	..	..	29½	28	29	28	3000	37½	26½
Castle Tre.	1	..	..	78	76½	78	76½	18100	85	71
Clifton Con.	1	..	..	6½	6	6	6½	17000	25½	6
Coniagas	5	5	15.6	..	..	..	..	....	2.30	1.45
Cons. Smelters	25	6	2.0	80½	78	79	80½	2520	84½	48
Cons. W. Dome	1	..	..	13½	13	13½	13½	217125	22	11
Col. Kirkland	1	..	..	5½	4	4	4½	47070	10½	3½
Crown Res.	1	..	..	26½	21½	23	26½	59150	54½	21½
Davidson C.	1	..	..	..	..	..	..	....	5	2½
Dome Mines	None	2	14.2	14.25	14.00	14.05	14.25	1560	16.50	12.90
Everett	1	..	..	5½	5	5	5½	4500	10	4½
Gold Reef	1	..	..	1½	1½	1½	1½	7000	2	1
Goldale	1	..	..	17	15½	16½	16	20100	22½	14½
Hattie	1	..	..	½	1½	1½	½	57000	2½	½
Hattie P.	.	..	..	11½	4½	11	5½	221550	67	4½
Inter. Nickel, com.	25	..	..	29½	29½	29½	29	10	30½	24½
Hollinger	5	20.80	7.0	14.95	14.80	14.80	14.80	8355	15.65	13.35
Hunton	1	..	..	5½	5½	5½	5½	7500	8½	4½
Inspiration	1	..	..	9	9	9	9	3000	10	7
Indian	1	..	..	7	7	7	7	1000	17	5
Keora	1	..	..	10½	9½	9½	10½	17200	19½	9
Keeley	1	24	13.2	1.82	1.75	1.82	1.78	11300	2.32	1.75
Kirk. Lake	1	..	..	39½	35½	35	40	14400	50	35
Lakeside	1	..	..	7	6½	6½	6½	12000	15½	6
La Rose	1	..	..	47½	44½	46	48	6890	55	7½
Lake Shore	1	20+5	4.8	5.80	5.65	5.70	5.80	2025	6.10	4.51
Lorrain T. L.	1	5	5.2	95	90	95	1.03	20	1.34	90
Lorrain	1	..	..	15	13	14	15½	77300	24	12½
McIntyre	5	20	5.5	18.00	17.80	17.90	17.85	2870	18.25	16.00
McKinley	1	..	..	26½	24½	26	27	40900	44½	15½
Mining Corp.	5	..	..	2.50	2.35	2.46	2.50	12450	3.16	2.35
Moneta	1	..	..	13½	13½	13½	13½	2100	18½	13
Newray	1	..	..	18	17	17	18½	5000	28½	17
Nipissing	5	12+6	18.00	5.05	5.00	5.00	5.00	715	6.80	4.65
Night Hawk	1	..	..	23½	23	23½	24	1100	49½	24
Ophir	1	..	..	5½	3½	4½	3½	137900	7½	3
Pete Lake	1	..	..	7½	7	7½	7	6300	12	6½
Porc. Crown	1	..	..	..	..	..	..	....	8	3½
Premier Gold	1	32	14.5	2.26	2.20	2.20	2.25	3190	2.58	2.15
Preston E.D.	1	..	..	8	6½	7½	6½	10200	12	6½
Teck Hughes	1	..	..	1.38	1.31	1.38	1.32	10050	1.49	1.23
Thomp. Krist	1	..	..	1½	1½	1½	1½	1000	8	1
Timiskaming	1	..	..	16½	16	16	17	2000	30	15
Tough Oakes	5	..	..	27	26	26	27	6800	45	20
Trethewey	1	..	..	19	18½	18½	19	6900	22	16½
Victory Silver	1	..	..	25½	21½	25½	17½	100717	31	14
Vickers	1	..	..	3½	3½	3½	4	1500	20½	3½
Vipond Cons.	1	..	..	1.08	1.02	1.05	1.08	15175	1.42	1.01
Wasapika	1	..	..	1½	1½	1½	1½	8500	3½	1
West Tree	1	..	..	2	2	2	2½	2000	5	2
Wettlaufer	1	..	..	4	4	4	4	9500	16	4
Wright-Har.	1	20	4.5	4.45	4.40	4.40	4.40	1055	4.95	4.15
Oil Companies										
B.A. Oil	25	2+2	6.6	39½	39	39	39½	963	41½	36½
Imperial	25	25c	7.6	34½	31½	33½	32½	3100	34½	27½
Inter. Pet.	5	25c	.90	27	25	26½	25½	985	28½	22
North Star, pref.	5	7	8.5	4.10	4.10	4.10	3.95	100	4.25	3.90
Continental	.	25c	.90	25½	25½	25½	25	254	29	22½

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EXCHANGE FACTOR DOMINATES IN THE BRAZILIAN STOCK

Earnings Decline But When Milreis Move Up Fifth of Point, Shares Rise Also

An evidence of how the market would receive any material improvement in Brazilian exchange in relation to Brazilian Traction was given this week. Milreis improved fractionally to 11 and this brought a flood of buying orders which carried the market price to within a small fraction of 55. It is clear that the earning position of the company is completely overshadowed by the exchange factor for the April earnings statement which has just been made public shows that for the third month in succession earnings have fallen off, with a decided tendency for the decline to enlarge month to month. Not since December, 1923, have gross earnings tumbled to the level of April when they stood at $2,194,259, a fall of $45,000 over April a year ago, but higher than April, 1923, when they were $2,005,000. At the same time 1925 operating expense was $113,000 higher, showing a decrease in net as compared with 1924 of $158,868.

The public is seemingly satisfied with the earning position of the company, and is not so concerned with fluctuations up and down. Exchange is seemingly regarded as the big factor.

Milreis at 11 cents are .20 above the 1924 average of 10.80. Figuring the April, 1925, earnings on this basis they would have totalled $2,633,154, or $393,312 higher than 1924, so it will be seen how important even a fractional improvement in exchange is.

The April earnings of Brazilian, showing gross, costs and net with the declines follow:

April	1925	1924	Increase
Gross	$2,194,295	$2,239,842	x45,547
Costs	946,417	833,096	113,321
Net	1,247,878	1,406,746	x158,868
4 Months—			
Gross	9,239,971	8,808,832	431,139
Net	5,371,640	5,483,015	x111,375

xDecrease.

The above table also shows that the material increase in gross in January has maintained the 1925 four month total well above that of the same period of 1924. On the other hand, the increase in operating costs has been such as to more than offset the earning increase with the result that the net increase for the four month period shows a decline as compared with the 1924 period. The exchange factor does not enter so strongly into those figures as both gross and net are figured on the same basis.

These losses in earnings are said to be due to droughts and steps are being taken to guard against them in the future. It is understood that this will involve 200,000 h.p. development which will be installed out of earnings.

EAST KOOTENAY POWER DID WELL

General Expansion Shown in First Report Under New Control

From Our Own Correspondent.

MONTREAL.—The first annual report of East Kootenay Power Co. since control passed to Nesbitt, Thomson interests, shows that notwithstanding unsatisfactory labor conditions which prevailed among coal operators in districts the company serves, both gross and net profits for the year ending March 31, 1925, show substantial increases over the preceding year. Gross earnings are up 50 per cent. over the previous year and amounted to $322,422. From this was deducted various operating charges, taxes and the healthy amount of $66,000 for depreciation, which left net earnings amounting to $184,239 with which to meet bond interest of $143,625. After deducting $34,625 for preferred dividends, the sum of $5,989 was added to the previous surplus $1,621.

Although the margin between the amount available for preferred dividends and the dividend itself was not large, it is to be remembered that this preferred stock was not issued until well on in the company's fiscal year. Before the issue of stock, therefore, the company made interest payments on its loans.

Regarding the earnings of the company for the past year's operations, it will be of interest to the shareholders to know that the company's earnings for April, after deducting all charges except depreciation, stood in the neighborhood of $9,600, while the preferred dividend requirements amount to only $4,375 for the month. Incidentally earnings are showing an increase from month to month.

Owing to the fact that the company has expanded under the new management, there is not much information to be obtained from a comparison of the profit and loss account for the past two years. The profit and loss figures for the year follow:

Gross Revenue	$322,422
Less Operating Charges	45,762
Taxes and Rentals	9,205
Proportion of Organization Expenses	2,900
Depreciation	66,000
Interest	9,616
Provision for Income Tax	4,700
	184,239
Bond Interest	143,625
	40,614
Preferred Dividend	34,625
	5,989
Previous P. & L. Balance	1,621
	7,610

CAN CANADA GET BACK EXPORT POWER?

That is the Question, Says Financial Company Interested in Duke-Price Project

In view of the fact that the National City Co., Ltd., of Canada, is controlled by the National City Co. of New York, and represents financial interests which have been concerned with the financing of the Duke-Price power developments in Canada, the following expression of opinion on the question of export of power from Canada to the United States is of interest and importance:

Each day the question whether Canada should or should not export power under long-term contracts is becoming more widely discussed. Statistics in bewildering volume have been produced by both sides. Lengthy articles in the press and reports of debates in parliament have laid a mass of information before the public which cannot readily be digested.

It is no easy matter to judge impartially between the rival opinions. On one side the protagonists of export can to some extent demonstrate actual benefits to be derived by following the policy which they advocate, and can support their arguments with facts and figures. Those against export are dealing more with probabilities and hopes which, while perhaps not quite so convincing at first glance, are none the less important, and, it may well prove, none the less correct in actual application. They aver, and they number in their ranks some of our ablest and most public-spirited men, that power once exported can never be recalled, and that we have no right to pawn the heritage of our children and our children's children for our own immediate gain.

It is, in our opinion, on the truth or the fallacy of this assertion that the entire question hinges. If power once exported can be recalled and diverted to Canadian consumers when and as required the arguments in favor of export are sufficiently sound to warrant the immediate adoption of some such policy with, of course, proper safeguards. If it can be fully demonstrated that power once exported is forever alienated, or even if there is any real doubt about our ability to recapture such power at a future date, then this consideration should outweigh all others.

The controversy has reached the stage when the entire subject can only be decided by establishing this one point. To do this requires that the highest scientific, technical and legal opinions be sought. Then and not until then will it be advisable to obtain a definite decision from any political party.

B. C. Electric Company Completes Development

From Our Own Correspondent

MONTREAL.—The British Columbia Electric Railway Company has finished the tunnel which will permit the waters of Alouette Lake to flow into Stave Lake. This marks the completion of the first stage of the company's big hydro electric development at Stave Lake. The natural outlet of Alouette Lake will be dammed, and the waters flowing through the tunnel will permit of a development of 11,500 horsepower. Through the consequent raising of the waters on Stave Lake the company will have more water flowing over its present power site at Stave Falls.

Asbestos Merger Picks Voting Trust Members

From Our Own Correspondent

MONTREAL.—When the asbestos merger is finally announced, present advices point to the fact that J. W. McConnell, the president of the St. Lawrence Sugar Company, Frank P. Jones, president of the Canada Cement Company, and E. G. Wilmer, partner in the New York bond firm of Dillon, Read and Company, will be the three trustees chosen to form the common stock voting trust.

The members of the voting trust will, for a few years, control the new company—they will not, however, be permitted to elect themselves to the board of directors, but will have the power to elect the board which will operate the mergered companies.

Bell Telephone Property Far in Excess of Capitalization

From Our Own Correspondent.

MONTREAL.—There are few balance sheets which show so clearly the results of ploughing back earnings year after year, as does the balance sheet of the Bell Telephone Company of Canada. The capital stock and bonds outstanding approximate only $63,000,000, while the plant, real estate and other investments as shown in the last report amount to $93,000,000.

Here is a difference in round numbers amounting to $30,000,000, and there are some who may be puzzled as to how to account for this divergence in the figures. To put the problem the other way round, how did the Bell Telephone Company acquire such valuable property with such a comparatively small expenditure?

The answer to the paradox lies, of course, in the fact that not only has the company invested the proceeds from the sale of its stocks and bonds in the property, but it has gone to other sources for its capital.

One of these sources is the premium which the company obtains when it issues new stock, but this is only a small portion of the whole. Each year, after paying its dividends the company has had a surplus; it is these surpluses which have built some of the companies buildings and erected some of its poles and purchased additional equipment.

One feature about the re-investment of earnings, which sometimes escapes notice, is the fact that when the earnings are ploughed back in this way, the company borrows money on which no interest is paid; this in turn safeguards the dividend return to the shareholder to no inconsiderable extent, as witness the regard with which investors view the shares of Bell Telephone.

This policy has resulted in the company being able to do further financing at probably as low a rate as obtains anywhere. When stock issues are made, they always sell to the shareholder at considerably above par, and in addition, when bond financing is undertaken, because the securities outstanding are so far below the real worth of the property, the bids received for the bonds are always high, with the resulting low rate of interest which the company must pay annually for the funds which it has received.

All this must, of course, be taken into account by the shareholder in placing a value on his holdings.

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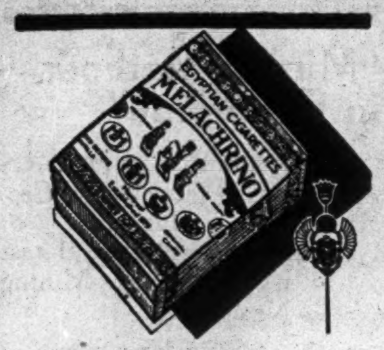

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PATON COMPANY EARNINGS LARGER

Net Profits Were Equivalent to Almost $1 a Share on Common Stock

From Our Own Correspondent.

MONTREAL.—In view of the cries for help which have been ascending on high from the woolen textile trade as a whole, the shareholders in the Paton Manufacturing Company can consider themselves fortunate in having a board of management which is able to turn in, in these hard times for the woolen weaving industry, an annual report such as appeared this week.

The company was taken over early in 1923 by a group of men associated with the Dominion Textile Company; it can be seen by the statement that the company is rapidly building itself into the strong position which marks all the companies coming under the directing hand of this group of men.

The statement covers the year ending April 30, 1925. Manufacturing profits were $112,369, as compared with $80,879 for the preceding 15 months, a monthly average of $9,364, as compared with $5,392. An allowance of $25,000 was made for depreciation, bond interest took $36,000, and preferred dividends, $42,000. These deductions left a balance of $9,369, which is equal to nearly $1 per share on the 10,000 shares of no par value common stock.

In Unlisted Department

The securities of the company are closely held and although both the preferred and common stocks are on the local unlisted department they are traded in but infrequently. Only limited amounts of the small issues outstanding are in the hands of the public. If the situation in this respect were otherwise the administration would undoubtedly make the balance sheet a little more detailed, both current assets and current liabilities being grouped under single heads.

Total sales for the period increased $345,995 to $1,351,170 over the corresponding period of 1923-24.

In addressing shareholders at the recent annual meeting President F. G. Daniels said, in part:

The additions and improvements to plant referred to in last year's report, were continued throughout the year. Additional dyeing, finishing, weaving, and humidifying machinery has been installed and the plant may now be considered in reasonably fit condition.

DURANT OF CANADA IN BETTER POSITION

May Best Month in History—Founder Still Has Control, Says Manager

May was the most profitable month Durant Motors of Canada has had since its inception, according to General Manager R. H. Mulch. The impairment of capital showed in the last report as of Dec. 31 has been cleaned up since the first of the year and the company is nicely on the right side of the ledger.

Mr. Mulch says there is no truth in the rumors that have been going the rounds for some considerable time, to the effect that W. C. Durant had lost control through the market. This may have gained ground because of the formation of a syndicate to purchase loose stock and also because of the stock action of Durant of Delaware, the parent company, which is down around $14. Mr. Durant recently withdrew his syndicate and the letter to shareholders throws considerable light on the situation. He says:

"For the past two years it has been a popular practice for unscrupulous promoters and stock salesmen to approach our small stockholders and, by malicious propaganda and untruthful statements, influence them to exchange their holdings for shares of unknown issues of little, and in some instances absolutely no, value. It is a fact that this practice of trading questionable securities, having no market value, for Durant Motors, Inc., which is daily dealt in on the New York Curb Market, has been successfully carried on, resulting in a flood of offerings which has been instrumental in demoralizing values and causing uncertainty as to the condition and future of the company.

"For the purpose of discouraging the 'trading out' process, and feeling that I might be of service to all stockholders, I recently organized a syndicate to purchase and redistribute Durant Motors, Inc., giving the stockholders an opportunity to participate on most favorable terms—the object of the syndicate, as in the case of hundreds of properly conducted syndicates now operating, being to establish a better market for those, either from necessity or choice, wishing to dispose of their holdings.

"The organization of the syndicate, regardless of the fact that it was a constructive move and intended to protect our small stockholders from being swindled, gave to unfriendly interests an opportunity to start a campaign through the public press which, in view of all the circumstances, is to my mind quite unfair. Rather than subject myself to further criticism, I am terminating the syndicate and returning the subscriptions. I regret that my motive has been misconstrued."

Pulp and Paper

$2,500,000 MORE FRASER BONDS FOR NEW MAINE MILL

Further Financing to Lower Cost of Paper Mill at Madawaska

From Our Own Correspondent.

MONTREAL.—The Royal Securities Corporation and Wood, Gundy & Co., are offering an additonal issue of $2,500,000, 6 per cent. first mortgage sinking fund bonds of the Fraser Companies. The Fraser Companies are at present employed in adding to their plants a large sulphite paper mill at Madawaska, Maine. Work started on this new mill about two months ago, and it is now about one quarter completed. The present issue is for the purpose of constructing this mill and for providing working capital.

This new sulphite mill is directly across the St. John River from the company's plant at Edmundston, N. B., and its purpose is to provide a ready market in the United States for the sulphite pulp production of the company; in fact, the market is so ready that the wet pulp will go across the river in a pipe line, a factor which makes for lower costs.

The plant across the border is, of course, incorporated in the States under the name of Fraser Paper Ltd., but the entire capital stock is owned by the Fraser Companies. Shortly, this American subsidiary will also authorize a bond issue of $4,000,000 of which $2,500,000 will be issued, the rest of these bonds will remain in the company's treasury and may not be issued except under the restrictions which apply to the bonds of the parent concern. This entire issue of $2,500,000 together with the capital stock of the subsidiary will be acquired by Frasers Canadian company. So that the entire capitalization of the subsidiary, including the outstanding bonds will be held by the parent concern.

The New Capitalization

When the present financing is completed the capitalization of the Fraser Companies will be as follows:

	Authorized	Outstanding
1st mortgage bonds	$10,000,000	$6,000,000
7 per cent. pfd.	3,000,000	1,950,000
Common stock	10,000,000	10,000,000

The net earnings of the company, before allowance for depletion and depreciation for the year 1924 amounted to $999,218 and the annual bond interst requirements, including thit issue amount to $360,000. Calculated on this basis, the net earnings of the company for the present year are expected to be in excess of $1,100,000 or equivalent to more than three times bond interest requirements. Next year substantial profits should also be made from the subsidiary plant located across the river in Madawaska, Maine.

The security behind the bonds lies in the fixed and the net current assets, that is, the property itself and the company's working capital, excluding the proceeds of this financing and investments. This security according to the balance sheet issued at the close of business on April 30. 1925, amounted to over $17,000,000 as compared with this issue totalling $6,000,000—in other words, assets amounting to $2,884 for each $1,000 bond issued.

The Company's Position

The balance sheet at the end of April shows that the company is in a strong liquid position; the working capital amounted to $5,623,528 and the ratio between the current assets and current liabilties was practically three to one.

The company owns three pulp mills which manufacture sulphite pulp in New Brunswick and also owns 12 lumber mills which it operates in New Brunswick and Eastern Quebec.

The total timber limits which the company either owns or controls amounts to 2,189 square miles which it is estimated will yield 4,998,000 cords of pulpwood and in addition contains large timber resources other than pulpwood. The bonds are secured by a first mortgage on all the properties and on all other assets of the company.

The trust deed provides for the issuance of an additional $1,000,000 of the bonds which, if issued, would bring the total outstanding up to $7,000,000; the remaining $3,000,000 may then only be issued to the extent of 75 per cent. of the capital expenditures for improvements or additions to the properties, and then only, when net earnings for the preceding fiscal year have amounted to not less than twice the total annual interest required for the bonds then outstanding.

No Increased Dividend for Shawinigan Shares

From Our Own Correspondent.

MONTREAL.—As indicated recently in The Financial Post, despite the current rumors regarding an increase in the dividend, the directors of the Shawinigan Water and Power Company met this week and declared the usual dividend. The cause of the stock making new high levels this week on the exchange has probably been due to the fact that the company now seems to have reached a position which will allow the reaping of the seed which it has sown in the past; this seed has been sown in various forms; at times it has been in the shape of subsidiaries whose chief aim, at the time of their inception, was the utilization of the company's power, but which now appear to be making money themselves. As well, Shawinigan has been gradually expanding its field of service for many years. Despite the growth of the company, it has always managed to keep its balance sheet in excellent shape.

Within the next three months, it will be selling 50,000 additional horsepower, 40,000 of which will be disposed of in the City of Three Rivers alone. In the meantime, the prophets are again busily at work and definitely forecast that the company will go on an 8 per cent. dividend basis for the latter half of the year; there is a possibility that for once they may be correct in their prophecies.

Canadian Newsprint Gains Ground in States

From Our Own Correspondent.

MONTREAL.—Reports from Washington in regard to newsprint imports into the United States for the month of March are more encouraging than ever, insofar as Canada is concerned. For these indicate that there has been an actual decrease in imports from European countries, while imports from Canada have largely increased. As between March, 1925, and March, 1924, the imports from Finland and Germany were more than cut in two, and there was only a slight increase in imports from Norway and Sweden. Imports from Canada, however, increased from 106,186 tons last year to 117,012 tons in March, 1925. Canada's percentage of the total imports into the United States increased from 87.1 per cent. one year ago to 91.5 per cent. in March last. Conversely the proportion of United States imports that came from Europe decreased from 19.9 per cent. to 8.5 per cent.

Taking the nine months to the end of March total imports into United States increased from 1,000,391 tons last year to 1,033,999 tons for the year ending March 31, 1925. During this time imports from Finland and Germany fell considerably and imports from Norway were lower down. Imports from Sweden were up a little over 25 per cent. and imports from Canada rose from 863,905 tons to 908,967 tons, a gain of 45,062 tons. Imports from Europe in the same period decreased from 136,486 tons to 125,032 tons. Canada's proportion of the total increased from 86.3 per cent. to 87.9 per cent., while Europe's share decreased from 13.7 per cent. to 12.1 per cent.

International Paper Arranges For Handling of Shares

From Our Own Correspondent.

MONTREAL.—The International Paper Company, in view of the recent additional Canadian shareholders which the company has obtained by its acquisition of the Riordon properties, has appointed the Montreal Trust Company its Canadian transfer agent and registrar of its new $4,000,000 issue of 7 per cent. preferred stock.

Engineers of the company are at present on the Riordon property on the Ottawa River, where they are doing preliminary work in connection with the large mill which the company has definitely decided to establish there. Plans for the mill are now under way, but it has not yet been decided when the actual work will start.

The company has already filed its papers which show the plans of the new dam and plant which will supply power for the new enterprise. The plans show the area which will be flooded to make a head for the water power.

PROGRESS OF A. P. W. CO.

MONTREAL.—The A. P. W. Pulp and Paper Company which has recently completed a wood pulp mill at Sheet Harbor, N.S., has made the necessary arrangements for the sale of its pulp in New York.

The production of the mill will total approximately 25,000 tons of high grade pulp annually. The company owns large timber limits and has excellent water power resources.

Ames, Holden, McCready Bondholders to Meet

From Our Own Correspondent.

MONTREAL.—The Eastern Trust Company, trustee for the bondholders of Ames, Holden, McCready, has called a meeting of the bondholders for July 3. The meeting is for the purpose of deciding the necessary steps which should be taken to safeguard, as much as possible, the interests of the bondholders during the liquidation of the company.

It is probable, too, that the meeting will appoint a special bondholders' committee to look after their interests. Votes may be given either in person or by proxy.

BROMPTON P. AND P. DEFERS BUILDING MILL

Likely That There Are Many Other Newsprint Projects Will be Held Up

From Our Own Correspondent.

MONTREAL.—Some time ago, it was announced that the Brompton Pulp and Paper Company had decided on the erection of a newsprint mill beside its present plant at Bowmanville, P. Q.

The latest news, emanating from those close to the company indicates that, in the meantime, these plans have been shelved and that work on the projected plant will not be undertaken, at least, not for some time.

It is thought that this news is of interest to the investor in newsprint stocks, for it has sometimes been stated that there were too many operators coming into the newsprint field and that any overproduction would naturally bring lower prices and consequent hardship on the newsprint industry as a whole. The action of the Brompton Pulp and Paper Company in deciding not to enter the newsprint field at the present time is exactly in line with many other concerns which eventually intend to make newsprint but feel today is not the proper time to start.

False Reports of New Operations

A local paper in this city last week printed the news that an American paper company intended to begin immediate construction on a newsprint mill on the limits which it owns north of the city of Quebec. On investigation by The Financial Post, it was found that the story was baseless. The American concern owns the limits near Quebec, but it certainly does not intend to proceed with the erection of a newsprint mill for probably two years, and not then unless conditions seem more favorable than they do now.

There are many probable increases in the output of newsprint but the shareholder of any of the present producers can reassure himself with the thought that probably many of these projects will not enter the field until such time as they are assured of a profitable market for their production.

One other thing as to the future course of newsprint prices. The manufacturers are all in favor of keeping present prices up—they will not, like the brewers in this province, put on a price war and keep prices down for no reason at all.

Cockshutt Goes on Board of Canadian Pacific Ry.

From Our Own Correspondent.

MONTREAL.—His Honor, Colonel Henry Cockshutt, Lieutenant-Governor of Ontario, has been elected to the directorate of the Canadian Pacific Railway, in place of the late Sir Edmund B. Osler. His Honor brings with him to the C.P.R. board long experience as a manufacturer in his native city of Brantford, Ont. He has been associated with the Cockshutt Plow Company since 1884, becoming managing director in 1893, and is now president of the company. In addition to his interest in his own company, he is a director of the National Life Assurance Company and the Bank of Montreal, and has many industrial interests in Brantford, Ont. He was president of the Canadian Manufacturers' Association in 1906.

His appointment as Lieutenant-Governor of Ontario was made in September, 1921.

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News of the Mines for the Investor

MINE SHARES SEEM SCARCE; THE PUBLIC ARE HOLDING TIGHT

Some Fairly Good Advances on Light Buying During the Week

Some new strength developed in the mining market during the past week, as if in answer to those who are predicting dire things will happen to stocks as a result of the announced plan of the Standard Exchange to audit members' books. There are those who are assuming the role of tipsters, telling what the market is going to do and what the public should do. Brokers say that anyone gifted with such foresight and ability to predict would hardly be bothered with such a small proposition as the mining market. Instead they would be rolling in their millions. The fact that the millions are missing, the brokers say, is probably a good line on their ability to guess the market. The point has been quite properly raised as to whether the audit move of the exchange is not being taken too seriously. A doubt exists as to its possibilities of achieving anything like is being claimed for it.

The week's trading indicates a tendency on the part of the public to hold their stock. Demand for shares was not heavy but it was materially more than the amount of stock offering with the result that there was quite a general strengthening in some of the favorite issues. Shares generally are to-day the lowest in years while the position of the industry is very robust.

Rather a constructive announcement is that made by A. E. Moysey, of A. E. Moysey & Co., that he is going to England with a view of interesting new capital in Canadian mining. He has been associated for some time with big English mining interests. He says the only thing necessary to make Ontario the greatest mining country is capital. Crown Reserve is one of the main objects of his trip. His firm underwrote a block of Crown Reserve stock. It has paid $120,000 to the company and this month will pay $12,000 and next month a like amount. This will complete their payments. The company will need further financing. The Moysey firm is now taking up stock at 45 cents a share, while the Crown Reserve market price is just above 20 cents. Besides this his firm raised the funds to purchase the Orr property which was sold to Teck-Hughes, the deal involving $500,000; it raised $320,000 for Vipond; $180,000 for Capitol silver; $30,000 for Barry Hollinger and perhaps another $50,000 for Castle Silver and Keora.

Mr. Morsey says that he is satisfied that the much needed capital will come from England if the matter is properly placed before the investors of that country.

Work at Siscoe Mine Shows High Gold Yield

MONTREAL.—Siscoe Gold Mine in Hurricana district of Quebec operated under direction of Charles Spearman mining engineer, who has recently returned from the property, says the company has exposed a spectacular section both in width and in gold content. Over a width of 22 feet in a series of veins and stringers there is free gold, which after sampling across a width of fourteen feet, and after discarding the more massive metallics gave a yield equivalent to $34 to the ton. Work on the property is continuing and development is being pushed by means of two shafts.

SILVER AND OTHER METALS

June—	8	9	10	11
Silver—				
London (d.)	31⅝	31⅝	31 9/10	31 11/16
New York ..	68¾	68¾	68½	68¾
Copper	—	13⅝	13½	13½
Lead	—	8.40	8.40	8.40
Zinc	—	7.05	7.00	6.95

Government Directors of All South African Mine Ventures

Rather an interesting development in mining is the reported move in South Africa, as outlined in a copyright cable of the Mail and Empire, Toronto, whereby the government by legislation would place a representative on the board of all mining companies. The South African minister of mines says the purpose is to have a government director who will inquire into the coming into being of a company and see that it is on sound lines. He believes that his presence on the board would have a salutary effect. He predicts that it will prevent fraud.

NORANDA INTERESTS ON HAMMOND REEF

Much New Mining Activity Apparent in North-west Ontario

Hammond Reef Gold mine, 30 years ago one of the best known mines at the head of the Great Lakes has been reopened by Chadbourne and Thompson for Noranda people.

Twenty men have been working on the Hammond Reef, which lies just east of the Sawbill Lake, under Arthur Cochrane, for the Noranda, and have been making a thorough survey of the property and tests of the ore. Recently Mr. Cochrane left for the east and his place has been taken by Mr. Glazier.

The Noranda interests intend to spend this summer in doing assessment work and prospecting the property and, if their results are satisfactory, the intention is to float a company with three million dollars capital to operate the Hammond Reef.

As a result of this operation much new activity has been aroused in the upper Seine district, where the Sawbill mine, the AL 282 and the Railroaders mine are located, and prospectors are going into that country, staking new properties and restaking many that have reverted to the crown during the past 25 years.

In the days when it was operating, the Hammond Reef was regarded as one of the biggest and most promising prospects of this country and a company was formed to work it, in which such men as Sir Richard Cartwright and Hon. Geo. A. Cox were interested. It was one of the mining locations staked by the late James Hammond, who was killed by a boiler rolling on top of him, as he was taking it into the property. There is a mill on the property and a small water power development was made, but after the death of Mr. Hammond the mine languished and was abandoned, finally reverting to the crown.

Thompson and Chadbourne have acquired the locations formerly included in the Hammond Reef and have also secured a number of the adjoining claims.

The ore bodies on the Reef are of enormous size and have been reported upon by A. P. Coleman and W. L. Goodwin, the latter reporting assays averaging $17.68 from over 9,000 pounds of samples. The property has also been favorably reported on by Prof. F. von Hille.

Montreal Mining 'Change Outgrows Its Quarters

MONTREAL.—Growth of the Montreal Mining Exchange resulted in the need for larger quarters, as a consequence, the exchange moved this week to its new quarters, 10 Hospital Street.

The new exchange has 23 members on the floor and direct wires to the Standard Exchange, Toronto. It is thought that the larger interest, which has developed through the finds in northwestern Quebec, has been responsible for the greater interest shown in mining in this province. Heretofore most of the mining business which originated here went to Toronto for execution, but from now on it is expected that a larger volume of trading will take place on the local exchange.

BARRY-HOLLINGER

Barry Hollinger mill is reported to be handling 50 tons daily and millheads are expected to average around $15. Concentration is employed and the tailings are being stacked with the idea of, perhaps, installing a cyanide unit later to treat them. The clean-up of the plates will take place end of June and then the possibilities of the venture can be better sized up.

MINING CORP. AGAIN JOINS DIVIDEND PAYERS OF NORTH

With Declaration Company Abandons Plan to Divide Its Holdings

A dividend of 12½ cents a share has been declared by Mining Corporation. With this announcement the company abandons its plan to divide its holdings and form subsidiary companies. New finds on Lorrain makes the dividend possible and are of such a nature as to make their continuance quite possible. Pres. J. B. Watson, in announcing the dividend, said:

"In my address to the shareholders at the annual meeting in 1924, I told them that if we found ore we would pay dividends. At the annual meeting held a month ago I told the shareholders that we were then nearer to a dividend-paying position than at any other time since 1920. In the last month we have developed high-grade ore on the 150-ft. level of the Crompton, thereby extending the high-grade shoot from the 225-ft. level upwards; and we have had the good fortune to establish another shoot of high-grade ore on a sub-level in the same property, which has now been proved for over 20 feet in length. In addition there has been marked improvement in the condition of our Cobalt properties. The company is now justified in paying this dividend, and the directors have pleasure in making the distribution. At the last annual meeting, it was announced that the directors had under consideration the possible sale to the public of part of the shares of our subsidiary company holding some of our properties in South Lorrain, including the Frontier-Crompton, for the purpose of increasing the cash assets of the Corporation with a view to an earlier resumption of dividends than otherwise would be possible. The recent developments on the company's properties render it unnecessary to carry out this policy, for the present at least."

Mining Corp. paid its last dividend in 1920. Up to that time it had paid $5,499,867.

AMULET

Diamond drilling of Amulet mine in Quebec, where a spectacular find was recently reported, is to be started at once. Gold and copper values are said to be excellent while there is also reported a high zinc content. The bodies are said to be very extensive.

KEELEY PRODUCTION

Keeley silver mines in May produced 124,911 ounces of silver and 12,083 pounds of cobalt.

$100 ORE ON T. O. B.

Preliminary assays of the new find on 400-ft. level of old Tough-Oakes holdings of T. O. B. shows $100 ore. The find has not been opened to any extent as yet.

B.C. SILVER-GOLD LEAD MINE SOLD

VANCOUVER.—English capital has purchased American Boy mine located at Hazelton, B.C. The new owners plan to ship ore to Swansea, Wales, for smelter treatment. The property has been favorably regarded for some time. It consists of 8 claims with four well-defined parallel veins carrying high values in silver, gold and lead. It is situated at Nine-Mile Mountain, about six miles from the Canadian National Railway.

Sam Trethewey, railway contractor and lumberman, who made a fortune in mining in Cobalt, is understood to still retain an interest in the property he acquired some years ago when the original owners floated a company.

The first owners worked the property for some time when metal prices were at a low rate. A shipment of 100 tons to the Trail smelter netted $7,000.

According to A. B. Denby, who made the purchase, it is the intention to begin operations at once. Mr. Denby and associates also own the old Steel mining group in the Windermere area.

New Foley Vein Gives Good Values Over 60-ft.

Operations on Foley Mine at Mine Centre, head of the Lakes, have cut the west vein at 400-ft. in a cross-cut ran from the Jumbo vein. It shows a width of 60-ft. and channel assays give $30 average. The vein is well mineralized and schisted and is said to give promise of opening up as the best vein of the mine. No work had previously been done on it.

Vipond Consolidated Mines milled 4,990 tons of ore and produced bullion valued at $49,300, in May.

See Calcite Lake as A Profitable Producer

"Hold your shares and don't listen to anyone who suggests selling them," is the advice Keora interests have sent shareholders as a result of a visit to Calcite Lake property, Gowganda. They say that in their examination of the underground workings of the 100 and 150-foot levels saw high-grade ore in places. This ore was being mined, brought to the surface and bagged. It is too early, they say, to estimate the possibilities of the mine, but it appeared to them that it will become a very profitable producer and will substantially repay shareholders for their long wait for profits. The situation as regards Keora is far better today than at any time in the history of the company, and to sell Keora shares under present favorable conditions they consider unwise.

"Mining Methods in Porcupine"

is the title of an interesting article by Geo. Cole, Inspector of Mines, in the latest issue of the Mining News.

Send for a copy.

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Current Events in Banking World

"CANADA SHOULD GO SLOW ON GOLD STANDARD"--AIRD

Can Afford to Wait the Outcome of British Experiment

By SIR JOHN AIRD,
In his address at the C. M. A. Banquet at Hamilton.

Whatever difference of opinion there may be among economists and financial experts as to the expediency of the resumption of gold payments by Great Britain for the people of that country, there can be no doubt that so far as Canada is concerned, and particularly the manufacturers of Canada, the resumption of gold payments by Great Britain must be of advantage to them. Canada imports a great many manufactured articles from Great Britain and we hear complaints from time to time that British manufacturers have been ousting or displacing domestic products. So that the pound sterling was at a discount, the exporter of British manufactured goods had an advantage over his Canadian competitor. A Canadian dollar with the pound at a discount could buy that much more. With the pound at par the Canadian manufacturer is on more even terms with his English competitor.

Apart from this consideration there is another Canadian viewpoint. Great Britain, next to the United States, is our chief market in the past two years for our exports. Relatively, of course, Great Britain is our best customer; for every dollar we import from Great Britain we export nearly $3, whereas from the United States we import substantially more than we export. With the British pound at par, the Britisher will for the same number of pounds be able to import more wheat and other products therewith than he could when the pound was at a discount. It is, therefore, a decided advantage to Canada to have the British pound at par, because it increases the purchasing power of, all things considered, the customer whose trade it is most desirable that we should cultivate.

There have been doubts in the minds of many competent observers as to the ability of Great Britain to maintain the pound at par. Within the last few days a financial writer in the New York Times, in pointing out the facts which tend to maintain the British pound at par, recalls that the holdings of securities of Great Britain in outside countries even after the close of the war amount to fifteen billion dollars, yielding a return of perhaps seven hundred and fifty million dollars a year in interest. Other financial authorities estimate these "unseen imports" at one thousand million dollars per year. Within the past few days Secretary Hoover points out that the United States will import this year rubber to the value of four hundred million dollars, a large part of which will come from plantations owned by British capitalists. Sixty-nine per cent. of the raw rubber output of the world is in British hands and twenty-nine per cent. is said to be in the hands of the Dutch, but the Britishers have even a substantial interest in the Dutch holdings. The result has been that with the increasing demand for rubber the price has gone up very materially, as men who are interested in the importation know quite well. The New York Times writer states that out of rubber alone Great Britain will be able this year to discharge the annual one hundred and sixty million dollars war obligation to the United States. Many of us can recall that fifteen years ago or thereabouts, there was a mania in Great Britain for investment in rubber companies. Scores of rubber companies were floated and huge sums of British money were invested in rubber plantations in every corner of the globe where rubber could be produced. What was regarded by some at the time as a mere mania and stock speculating affair has turned out to be one of the elements in the financial salvation of Great Britain in the past two or three years. Our friends to the south who generally manage to obtain raw materials at their sources were a day after the fair in so far as rubber is concerned. The British investments abroad and raw rubber sales in the U. S. are two material factors in favor of the pound sterling.

Canada and the Gold Basis

But what about Canada? There are those who say that Canada should completely remove the embargo from the export of gold (now exportable under license only) and make an announcement that Dominion notes should be redeemed in gold. But would there be any advantage in this? Practically none that I can see, for we are and have been in recent months on a gold basis so far as it concerns the trade and commerce of the country. In fact, during the past ten days, New York funds have been at a slight discount. Our dollar in New York is as good as the United States dollar. For months past New York funds have been within the "gold points"—that is to say, neither the premium nor the discount on New York funds in Canada would pay for the transportation of equivalent gold from one country to the other.

Would there be any disadvantage? I say, yes. We would have to establish a large credit in New York, as Great Britain has done, $300,000,000, and that would cost this country a substantial sum so long as the credit had to be maintained. Besides announcements in the despatches are that Great Britain, since the declaration for a gold basis, is steadily buying gold—no less than three million pounds sterling from Russia alone in the past week. It costs something to buy and hold gold in reserve.

We can well afford therefore under these circumstances to await the outcome of Great Britain's venture for if there should have to be a resort to the credits established with J. P. Morgan and Company, and the Federal Reserve Bank of Great Britain, were we on a gold basis also, we too in all probability would have to resort to the buying of gold or using our credit or both.

ROYAL-UNION MERGER BEING WORKED OUT

To Take Effect Formally Sept. 1st But Changes Already Being Made

MONTREAL.—Despite the fact that the merger between the Union and the Royal Banks will not go formally into effect until September 1, there have in the meantime been one or two moves made which will be of help in cutting down overhead, such as the closing of one of the branches of the Union Bank in Toronto and the closing of the Union Bank's cafeteria—the officers of the latter institution now have heir luncheons at the head office of the Royal. It is probable, too, that in the meantime some of the leases of the branch banks in overlapping points may expire, and in that case, it may be taken for granted these leases will not be renewed and that the business will be transferred to the other bank.

The Royal Bank has announced that the employees of the Union will be absorbed and also that they will receive credit for payments to the pension fund of their former employees. From this it may be taken that all the staff of the Union will simply continue on their jobs, the only difference being that on and after September 1 next they will be paid by the Royal Bank.

On the consummation of the merger, the head office of the absorbed bank in Winnipeg will be merged with the executive offices which the Royal has maintained in that city for many years.

With regard to the closing of branches, there will be but few changes as one of the outstanding features of the merger is the fact, that although the Royal Bank has in all 670 branches, yet it is only in forty or fifty towns in which they overlap; from this angle therefore, the merging of the two concerns presents but few difficulties.

Staff Gossip

W. L. Watt has been transferred to the Stonewall branch of the Canadian Bank of Commerce.—Plaindealer, Souris.

* * *

Glen Gillis, who has been on the staff of the Bank of Montreal here for the past few years, has been transferred to the branch at Regina.—Herald, Whitewood.

* * *

A. B. Clarke, has been appointed manager of the Bank of Toronto here, succeeding F. C. Waram, who was recently transferred to Bethany. — Examiner, Barrie.

* * *

D. T. Neil, who comes to St. Marys as manager of the local branch of the Bank of Montreal, has for some time past been assistant inspector of the bank's Ontario branches with headquarters at Montreal.—Journal-Argus, St. Marys.

* * *

The Trenton Canadian Club tendered a complimentary banquet to C. K. Temple, manager of the Front Street branch of the Bank of Montreal, who is leaving for Toronto to enter upon his new duties as manager of the Queen and Beech branch of the Bank of Montreal.—The British Whig, Kingston.

Exchange

The feature of the exchange markets this week is the weakness of French francs in spite of the support the franc is receiving from London. The situation has been somewhat complicated by the recent proposal of the Finance Minister to levy further taxes for the purpose of balancing the budget, and to ask for an increase in the circulation of the Bank of France, to meet the bond maturities of the year. Belgian and Italian exchange has followed the same general movement, but sterling has continued strong.

New York funds are again at a discount of 1-64, in relation to the Canadian dollar.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
June 4	x1-64	x1-64	1 11-16	1 5-8
June 5	x1-64	x1-64	1 21-32	1 21-32
June 6	x1-64	x1-64	1 21-32	1 5-8
June 8	x1-64	x1-64	1 21-32	1 5-8
June 9	x1-64	x1-64	1 21-32	1 5-8
June 10	x1-64	x1-64	1 11-16	1 21-32

xDiscount.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
June 4	4.85¾	4.90¼	3.98½
June 5	4.85⅜	4.70	3.95
June 6	4.85¾	4.75	3.95¼
June 8	4.85 11/16	4.87	3.98¼
June 9	4.85⅞	4.94¾	3.97¾
June 10	4.85 11/16	4.86½	3.96

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES

	June 6, 1924	June 4, 1925
Halifax	$ 2,878,683	$ 2,792,529
St. John	2,635,717	2,267,357
Moncton	482,135	668,688
Quebec	5,703,540	4,847,899
Sherbrooke	919,546	868,467
Montreal	87,205,205	85,558,610
Ottawa	6,467,187	6,907,020
Kingston	815,886	584,099
Peterboro	979,923	669,961
Toronto	83,464,104	86,951,785
Hamilton	5,121,144	4,844,276
Brantford	872,111	966,995
London	2,742,544	2,724,741
Kitchener	897,310	861,077
Windsor	3,197,241	3,670,365
Total, East	$204,383,276	$204,183,869

WESTERN CITIES

	June 6, 1924	June 4, 1925
Fort William	$ 905,067	$ 1,010,739
Winnipeg	53,002,279	42,605,438
Brandon	586,041	522,919
Regina	2,821,021	2,819,748
Moose Jaw	1,062,595	943,717
Saskatoon	1,543,529	1,321,401
Lethbridge	493,657	508,665
Calgary	4,184,812	5,111,172
Edmonton	3,969,323	4,726,442
Medicine Hat	331,170	265,374
New Westminster	674,875	672,663
Vancouver	13,442,347	15,684,214
Victoria	1,783,794	1,836,274
Total, West	$84,750,510	$78,023,766

CANADIAN LOAN TO AN AMERICAN BANK

Chicago Institution Steps Into Canadian Field — Matter of Collateral, Say Bankers

A recent transaction by one of the largest banks in the Middle Western United States is said to be the first attempt by this organization to do business in the Canadian banking field. In this transaction an important Canadian merger was being put through and it is said that a number of Canadian banks declined to assume the risks in connection with the preliminary financial details. The promoter of the merger was able to get a line of credit from a Chicago bank in connection with his options, and it is understood the banks will assist in the financing of the enterprise, which is now in the hands of one of the most important Canadian investment houses.

In discussing this incident, Canadian bankers state that banking regulations in either country would have no particular bearing on such a transaction. It would be a case of judgment on the part of the bankers on the collateral offered and international boundaries would not matter. They point out that it is quite possible that in this case that if Canadian banks turned down the proposition the security may have been made more attractive before negotiations were opened with the American bank.

Generally speaking Canadian banks at present have surplus funds and are seeking to make loans on security which they regard as reasonably sound.

BANK OF NOVA SCOTIA

The Bank of Nova Scotia announces the opening of a branch at Windsor under the management of W. G. McClellan, formerly manager at Brockville.

A branch has also been established at Cienfuegos, Cuba, under the management of F. Montane.

CHICOUTIMI PULP AND SAGUENAY CO. TO AMALGAMATE

(Continued from page 1)

new company, one share of preferred for each $100 bond which they hold; in addition they will receive a half share of common stock. The bondholders of the Saguenay 7 per cent. collateral trust bonds will receive half a share of the common stock for each $100 bond which they hold.

Both the two principal constituent companies—there are several small subsidiaries in the deal—are to come into the merger on an equal basis. This is due to the fact that the ratio of bonds to the fixed assets in both instances is approximately the same.

Circulars are in preparation by the bondholders' committees which will be sent to all concerned and which will set forth the particulars of the deal. At the present time both companies are paying their way, that is, they are earning more than sufficient to meet interest charges after allowance has been made for depreciation. For the future of the new company, therefore, it would appear that the preferred dividend is thus assured; indeed the estimated earnings, as figured on the average earnings of the amalgamating companies for the five years between 1919 and 1923, show that earnings on the common stock should be in the neighborhood of $850,000. This is equivalent to 12 per cent. This figure does not include an allowance for depreciation, reserves or for surplus, so that it can not be taken as an indication of the present value of the common stock of the new company, yet it presents a picture which indicates that the merger is built on a solid foundation.

The Issued Capital

Of the authorized preferred stock totalling $12,000,000, only $7,016,600 will be issued; the remainder will stay in the company's treasury and may only be issued under severe restrictions. Of the common stock, $7,113,100 only will be issued. The old Saguenay Pulp and Power Company is to receive $785,000 of new common stock or the equivalent of 1/10 of the share capitalization of that company—it is probable that the Saguenay Pulp and Power Company will then be wound up and its shareholders will receive 1/10 of a share in the Quebec Pulp and Paper Mills for each share of the old company which they hold. This disbursement has been made in order to avoid the necessity of going through the expensive legal proceedings necessary to formally foreclose the mortgages of this company.

Size of the New Company

Upon the consummation of the proposed amalgamation, the property will consist of two mills at Chicoutimi and one mill at Val Jalbert with a total capacity of 500 tons per day of mechanical pulp. Timber limits, including both freehold and leasehold amount to over 611,000 acres and water powers have been developed to the extent of 28,000 horsepower. In addition, the new company takes over the Roberval-Saguenay Railway Company, consisting of over 40 miles of railway equipped, in part with steam, and in part with electric power; the Saguenay Light and Power Company, which develops 10,000 horsepower from three plants; the Chicoutimi Port Company owning a wharf at Port Alfred for ocean tonnage, which was built three years ago, and the Chicoutimi Freehold Estates Company which adds another 400,000 acres to the timber resources of the company. This means that total timber resources amount to over 1,000,000 acres and that total water powers developed equal 38,000 h.p.

The general simplification of the finances in the new company is due to the work of the bondholders' committee and should be welcomed by the future shareholders, who in the past, have been kept busy figuring out just what they had mortgages on. Incidentally, it is to be noted that no further capital goes into the proposition.

No Controlling Group

There will be no one group in control of the new company; another good feature of the amalgamation. The bondholders of the Saguenay Pulp and Paper Company will have a bare majority of the outstanding stock, but this margin is small, and not large enough to put the control in the hands of any one group.

As the Saguenay Company guaranteed the bonds of the St. Lawernce Pulp and Lumber Corporation, certain common shares of the Quebec Pulp and Paper Mills will be allotted to them.

The total assets of the combined companies amount to $17,707,634, and it is interesting to learn that the new company will commence its career with current assets approximately equal to current liabilities.

Coming back to the estimated earnings; working these out, on a basis of the average gross earnings in the five year period between 1919 and 1923, shows that earnings will meet bond interest and preferred dividend requirements and leave a large balance which would be applied to depreciation, reserves and finally, common stock. Some may feel that the five years which form the basis for this estimate were exceptionally good ones for the industry as a whole—this is true, but at the same time, the Saguenay Pulp and Power Company during these five years wrote off some exceptionally heavy losses, so that earnings on the basis of the years 1919-23 give a fair enough idea of what the results for next year might be, although they are only estimates and should not be taken as what actual earnings will be.

From the table showing the distribution of the various shares, it can be seen that the two bondholders' committees have made a settlement with the various creditors of the companies whereby the creditors will accept in full payment of their claims common stock in the new company, which at its par value, would equal half the amount of the debts which were owing.

The following table shows the way in which stock in the new company is to be distributed:

This deal definitely finishes a bad condition prevailing in the industry on the Saguenay River and its completion will be welcomed by investors who have been interested in these companies.

Table Showing Distribution

Securities present Companies		Basis of Issue	New Securities 7% Pfd.	New Securities Com.
To holders of—				
$4,286,100	Total Chicoutimi Bonds.			
2,453,000	Deduct amount held by Saguenay.			
$1,832,600	Held by Public	$100 Bds 1 Sh. Pd. ½ Sh. Com.	$1,832,600	$ 916,300
5,074,000	Saguenay 6½% Bonds.....	$100 Bds 1 Sh. Pd. ½ Sh. Com.	5,074,000	2,537,000
109,000	Sag. Light & Power (Chicoutimi Water & Electric 5%'s)	$100 Bds 1 Sh. Pd. ½ Sh. Com.	109,000	54,500
2,875,158	Saguenay 7% Collateral Trust Bonds	50% in Common ..		1,437,579
302,466	Accrued interest thereon to 31st December, 1924	50% in Common ..		151,233
772,376	Ordinary creditors Chicoutimi Company (prior to Bankruptcy) and Saguenay Company	50% in Common ..		386,188
250,000	Unsecured balance on Banks' claims	50% in Common ..		125,000
To Saguenay Pulp & Power Co.				785,000
In addition to the foregoing, Common Shares of the new company may be issued at the discretion of the Board for the following purposes:				
To acquire outstanding shares of Chicoutimi Port Co. not now held by Saguenay Company.				
$100,000	par value of Preferred Shares of Port Co.	20% in Common ..		20,000
3,000	par value of Common Shares of Port Co.	10% in Common ..		300
To facilitate settlement with Port Alfred Pulp and Paper Corporation and Bondholders of St. Lawrence Pulp & Lumber Corporation and relieve assets of Chicoutimi Company of 2nd Mortgage securing that company's guarantee of Bonds of St. Lawrence Pulp & Lumber Corporation				200,000
To provide for management, settlement of disputed claims and other purposes in connection with the preparation and carrying out of the Plan and the financing of the new company				500,000
			$7,015,600	$7,113,100

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BANK OF MONTREAL

The Bank of Montreal has opened a branch at Didsbury, Alta.

IMPERIAL BANK

The Imperial Bank announces the following staff changes: W. E. Cusler, formerly accountant, King and York branch, Toronto, has been appointed manager, West Toronto. W. W. Field, formerly accountant, Bathurst and Dupont branch, Toronto, and recently attached to Toronto branch, has been appointed accountant, King and York branch, Toronto.

THE CART BEFORE THE HORSE

Hamilton Spectator: It seems a cart-before-the-horse method, to start with too much and decrease as conditions expand, but it is the plan on which most administrative matters have been managed in the Dominion. Over-development of the railway systems, over-development in municipalities, especially in the west, the most lavish provision for prospective immigrants, who have failed to arrive in their expected thousands, these are the chief causes of our difficulties to-day. One reason why immigrants fail to come is, undoubtedly, because of all this elaborate preparation, which has saddled so heavy a burden upon the taxpayers of the country. By reducing that burden a double purpose would be served. Not only would we be directly lightening our load, but making our country more attractive to newcomers. There would be more people to carry a lighter burden.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, JUNE 12, 1925

DISLOYAL SALESMEN

THE salesman who knocks his competitor's goods is a poor citizen of Canada. When the salesman for Jones, of Brockville, says that Smith, of Winnipeg, produces a shoddy product he is giving Canadian goods a knock when they need a boost. Smith will hear about it and his salesmen will start to knock the product of Jones. Soon buyers become convinced, by the repetition of something they might not have believed at first, that both Jones and Smith turn out a poor product and they decide to buy from neither. Instead they look elsewhere for goods and buy from American and other foreign manufacturers.

It would be good practice for all Canadian firms to instruct their purchasing agents not to buy from firms that allow their representatives to go around the country condemning the goods of other Canadian manufacturers. There could be no more effective support given to a sound "Made in Canada" campaign.

WHY THESE NEW TAXES?

IN VIEW of the retrenchments being made in their spending by business concerns and private individuals it is indeed difficult for taxpayers to understand why governments should go on increasing expenditures and evolving new taxes in order to get the necessary funds.

In Ontario there have recently been inaugurated a new tax on gasoline and another on beverages. Both of these taxes are much less objectionable than some others. In view of the large sums being spent on good roads, largely for the benefit of motor traffic, it may be argued that owners of cars and trucks should pay a larger assessment—provided it is devoted to the roads program. Then there is much to be said for the theory that those who want to drink 4.4 beer should be ready to pay for it, although it is not quite clear why ginger ale and pop should be put in the same class. And another point to be said for these taxes is that they are readily collectible and should return a large percentage in net revenue.

But the point being raised by the taxpayers is that if revenues are to be augmented by these new taxes then there should surely be some relief in other directions. There has been no real evidence of need of the government to spend more money under the conditions prevailing—why then these new taxes?

GIVING BUSINESS A CHANCE

"There are innumerable statutes, national and state, regulating men and their activities. There are armies of government agents to see that these statutes and regulations are enforced. There are all kinds of governmental snoopers into our affairs. Thus have we secured liberty for ourselves and our posterity." The words quoted are from an address recently delivered at the annual convention of the New Jersey Bankers' Association by Governor Geo. S. Silzer of New Jersey.

Not only is too much government costly and even wasteful but the interferences with business which result are a serious handicap in the making of those fair and reasonable profits out of which the attendant heavy taxes can be paid. This is being realized in the United States where, according to Commercial West, "President Coolidge and his level-headed, common-sense advisors are reforming the Federal Trade Commission from one of unjustifiable interference to one of helpfulness in the business world."

According to The National Business, the mouthpiece of the Chamber of Commerce of the United States, the Federal Trade Commission has put every possible obstacle in the way of business and has, worst of all—totally without warrant or justification—condemned and maligned men for practices of which they were innocent. Thus it has become a kind of political machine that has done more to injure business than assist it. But under President Coolidge there is a change. No longer will charges against any business or corporation be made until there is proof of law violation. There will be no expensive junketing trips on "wild" reports made to the commission, or costly investigations carried on unless there be good and sufficient evidence supplied. Nor will the commission's machinery be used to collect information to assist politicians in their campaigns.

The baiting of business has been quite generally indulged in by the federal and some of the provincial governments in Canada. At Ottawa recently there have been evidences of efforts to create political capital by the prosecution of alleged combines. Trade, industry and finance are being made to bear the burden for the increased costs of a governmental machine which has not as yet been generally readjusted from the war-time scale. Ottawa might very well profit from the experience of Washington as to the advisability of freeing business from annoying interferences in the interests of general prosperity.

"IF I WERE KING—"

"IF YOU were appointed czar of Canada—just try to imagine it even though czars, kaisers, etc., are not the popular idea now—what is the one big thing you would do in the national interest?"

This question was recently put to one of the outstanding financial leaders of Canada by the editor of The Financial Post. The financier pondered and then he answered:

"Get more people."

There is a growing appreciation that Canada's big problem is to get more people so that the overhead expenses of transportation and government may be equitably adjusted and so that there will be a home market for our farm and factory products. But to get more people—and, what is perhaps more important, to retain what we have—demands that conditions should be made attractive; that not only should there be fair prices for farm products and jobs at good wages for workers but that taxes should be adjusted so that the margin between income and the cost of living will provide sufficient of the comforts of life to make living here attractive.

But so long as conditions continue as they are, to get newcomers, and even to hold our present population, will be difficult. Following are some reasons why Canada is not attractive as seen by a correspondent of The Montreal Gazette:

High taxation, due in part to a loss of $56,000,000 to $60,000,000 on National Railway. A million a week!

Hudson Bay Railway, on which it is proposed to spend more money, because so much money has already been spent.

Proposal to take $5,500,000 out of our pockets to pay off Home Bank depositors.

The spending of huge sums on a new bridge at Montreal at a time when economy is so much talked of.

An unnecessary expenditure for improvements at Quebec harbor.

A long cold winter and coal $16.50 per ton.

The holding back or the delay in opening up the new district of Rouyn. (Mr. Taschereau refuses to allow the Nipissing Central to extend its line into Rouyn.)

The hopeless bickering between the various provinces and the "near or would-be statesmen" attempting to guide the country.

The pork barrel in general.

All of which interferes with a young man's chances of success, but should he succeed in placing himself in a position of wealth or prosperity, will sandbag him for his bank account.

Canada's great need is for more people. And to get population demands that living conditions here should be made more attractive. It is a problem which is largely up to our government and it must be faced in a practical, business-like way.

EDITORIAL NOTES

NOAH may have organized the first stock company, but one thing sure, he never tried to float alone.—Judge.

Perhaps not, but it was easy for him to water the stock.

* * *

IN CONNECTION with the building of a 50-mile extension of the company's lines, the farmers of Montana have subscribed to more than $200,000 of the Northern Pacific Railroad Company's stock. The development indicates closer co-operation between the railroads and the farmer.

* * *

IT WAS charged in the Commons by Premier King that Senator Robertson had threatened that the upper chamber would kill the bill making the grant to Home Bank depositors. Could it have been that the government took the Senator's threat as a promise—and made a grand-stand play for popular approval while expecting the Senate to guard the public treasury?

* * *

REALIZING that Canada is the best customer of the United States, the National Chamber of Commerce has appointed a committee to consider ways and means to bring about better social and economic relations between the two countries. A Canadian committee to co-operate in effecting a better understanding along these lines should be able to do very good work. The United States wants to sell her goods in Canada and Canada wants American capital and American settlers.

Manufacturers Are Trustees for the Owners of Industry

Perhaps Not More Than a Quarter of the Capital Invested is Theirs, Says New Head of C.M.A. — Outlines Constructive Public Policy for the Association

By J. H. FORTIER,
President of the Canadian Manufacturers' Association at annual banquet at Hamilton.

If manufacturers from coast to coast can meet, reconcile their views, talk over their differences, and early reach an agreement, why cannot the same result be attained in regard to the conflicting claims of various sections of the country and the people of different occupations?

Very few of us are selfish or crazy enough to imagine that their own personal success is independent of the general progress. The rural and urban toilers know by experience that they depend on one another for a living and a bit of prosperity; the intermediate classes, the traders, the financiers, the professional men will soon be starving if we do not find work and good pay for the farmers and the artisans.

In assuming the heavy responsibility of speaking for such an influential organization as the C.M.A., I would like to be allowed a certain measure of free speech. Often in the past some tricky politicians or our more sincere opponents have carried against us a most unfair propaganda. We have been represented as the enemy of the working classes, as greedy capitalists always looking for more profits, as autocrats of the old school endeavoring to enslave governments and democracy. These are slanderous and most serious mis-statements from which we have only one tribunal to appeal—the good sense of the people. With all the ways and means at our disposal let us start at once to prepare our vindication. It is with that idea in mind that I would like to impress upon you the importance of your moderate but constant action upon the public and to already broadcast in your name a message of fraternity to all classes, whether near or far from our point of view at the present time. But before I develop these two points I ask all those present at this gathering and all men concerned in the peaceful achievements of Canada to receive my views in the same spirit of constructive criticism which induces me to talk perhaps so boldly. Like a certain grand old man of Ontario, an officer of the C.M.A. must be honest enough to be bold and bold enough to be honest.

Agriculture is First

Manufacturers have always been willing to admit and even to claim that agriculture is the first industry of this country. The first manufacturers were farmers who received from the chief of their tribe the mission of providing the community with tools needed to facilitate the daily task of their brethren. In the course of a long and slow process, industry has provided the most useful class of workers with all things necessary to their vocation, their comfort and their happiness. Then science and art have come to help in such a wonderful way that people living under the rules of British civilization to-day accomplish more work in less time and enjoy life so much more than any nation ever did before.

Who Owns Industries?

The Canadian manufacturer is not a greedy capitalist and in most cases not a capitalist at all. I ask this assembly to tell me in what proportion we own the principal invested in our industries? Certainly not half of it, possibly not more than a quarter of it, perhaps not a tenth of the money trusted to our care is ours. The larger an industry grows the smaller is the percentage of its capital held by the administrators and officers. There are very few exceptions to that rule. Every day and in every way, the wealth of this country is being more fairly divided amongst all classes. As a rule the farmer on his land and even the settler on his lot has more reason to say that he is master in his home than have the manufacturers in their plants. If anybody is concerned in knowing exactly who are the capitalists in this country, let him ask a direct question of the bankers. They know all about it. They will tell you that approximately 10 per cent. of the capital invested in Canadian industrial enterprises comes from English investors, 30 per cent. from American investors, and about 60 per cent. from people of all classes in Canada. The industrial capital of Canada comes from the savings of the farmers, from the small estates of orphans and widows, from money entrusted to the insurance companies or the banks, and only a small portion of it belongs to the manufacturers who also devote to the task of making that capital produce fair returns their whole brains, energy and health. You, manufacturers, in all fields of your personal influence, go and explain to the people that you are not capitalists, but simply trustees to those of our fellow-countrymen who had the intelligence to save part of their earnings, and trust part of them to your care. They will also have the intelligence to understand your position and to vindicate your unselfishness.

A Place in Politics

The Canadian manufacturers are not either autocrats who want to dictate their conditions to public men or to act unfairly towards anyone. As a matter of fact, I do not think that the industrial men play the part they should in parliament. It is a constitutional axiom that there should be no taxation without representation, and it is a well known fact that in proportion to the taxes they pay the manufacturers are in the class least represented in public life. In my opinion, this abstention is a bad thing for the country and for ourselves. I would not advise a manufacturer to enter politics until he has made a complete success of his career. But when he has I consider him one of the best qualified candidates for parliamentary honors, that his achievements in his own business, in his own town, in his own province are a guarantee of his intellectual, moral and practical worth. If you ask me under which political colors a manufacturer should run, I have no hesitation to answer plainly the question; a practical manufacturer may be a good Conservative, a good Liberal, even a good Labor candidate, as long as he is a real champion of adequate protection.

The disadvantages of throwing our lot with one party alone is quite clear; it creates opposition to our ideals and it is sure to hurt the best interests of the country when that opposition climbs to power. If I am not mistaken, we are entirely opposed to class politics. Let us stick to that principle and preach it by example as well. We do not only want national protection, we also want stability with it. We want protection for all classes of workers, whether agriculturist or workingmen, but we ask for stability at the same time in order to induce more capital, more industries, and more men to come and help us to build Canada. If this can be called autocracy, I confess that I do not understand the meaning of the word. If more Canadian manufacturers would take an active part in politics here are some of the problems that their experience would help to bring to a practical settlement. For instance, there is the question of economy, which public apostles urge upon us to practise but which they too of-

(Continued on page 14)

C.M.A. Vice-President Started Work at 12; Sales Head at 20

By J. W. TYSON.

JOHN M. TAYLOR.

Of J. M. Taylor, the new first vice-president of the Canadian Manufacturers' Association, one obtains the impression of that type of trip-hammer executive who drives things through by an aggressive and constructive ability which makes itself evident in a physical way. I have a mental picture of him, vivid despite the fact that it is now thirteen years old—the picture of an uncoated figure with sleeves rolled above the elbows as he sat at his desk on a hot July day and, with flashing eye reflecting a mental alterness in keeping with a physical vitality indicated by an emphatic fist, told of what he had done and planned to do in the upbuilding of one of Canada's most important hardware manufacturing concerns at Guelph. To-day at fifty-seven little of the spring has gone out of him and the flashing eye is still much in evidence. And the plants of the Taylor-Forbes Co., of which company he is president and general manager, are a monument to an industrial success won under keen competition and maintained in the face of the difficulties of unsettled times.

Just an incident to indicate the characer of the man and his methods of dealing with the situation a big manufacturer has to face. Not long ago after the present government came into power and put through some of those regulations which did not affect the general tariff situation, but which hit certain manufacurers pretty hard by letting in outside products under more favorable conditions—a representative of one of Taylor-Forbes' biggest customers turned up to take away a car-load of patterns. They were to be shipped to the United States and the goods were to be manufactured there and shipped into Canada under some new ruling.

Did he get the patterns? He did not.

"You go up to the hotel and wait further orders from your head office," said the decisive manufacturer. "I'm on my way to talk this thing over with your president."

And so J. M. boarded the next train and started on a trip to hold that business without any particular idea of how he was going to do it. The main thing was to get started—he worked out his case on the way. The upshot was that the business was retained. J. M. had his raw materials bought in advance and he just had to hold the order. But because of the new situation he had to cut his prices until profits almost entirely disappeared. He avoided losses, however, on materials ordered, and at the same time maintained output and provided jobs for his workers.

That is an example of how the plant at Guelph has been built up and kept going until it is looked upon as an important section of the industrial back-bone of the Royal city. Born in Belfast in 1868, and coming to Canada in his childhood, the lad who was destined for big things in Canadian manufacturing went to work at the age of twelve for the James Morrison Brass Company, Toronto. In eight years he became sales manager. At that time, 1888, the Dominion Radiator Co., Ltd., was just starting operations, and Mr. Taylor was given the position of general manager. He stayed until 1902, when he grasped the opportunity of running a business of his own. A. R. Woodyatt, head of A. R. Woodyatt & Co., Guelph, wished to retire on account of ill health. With George Forbes, of Hespeler, Mr. Taylor bought the business and organized the present Taylor-Forbes Co., Ltd., with himself as president and general manager. At that time the plant was a small foundry, employing 78 hands. To-day between five and six hundred are employed and the factory has been enlarged to four times its original size. The company now makes 1,400 different kinds of hardware, is third largest manufacturer of heating devices in Canada, and has one of the largest lawnmower factories in the country.

Mr. Taylor has been a member of the C. M. A. since 1888 and has served on every committee, and with the exception of one year, when the direction of an enormous output of munitions absorbed all his time, he has been on the executive council continuously.

In Guelph, as one of the city's biggest employers, Mr. Taylor is much better known to his own workers than to the citizens generally. Demanding efficiency as essential to the success of industry he has at the same time won a reputation with his employees for fair dealing and he has worked out some advanced ideas for their welfare which have won appreciation. He has taken some part in municipal affairs, but it would hardly be expected that his views of business as the result of private initiative in corporation organization would be just the popular thing in a city which has set itself up as a leader in municipal ownership and has as yet experienced with the benefits only some of the disillusioning results.

Succession Duty Applies Only to Actual Transfers

The attempts to standardize the succession duties in the various provinces, and to introduce reciprocity in connection with their operation has given rise to greater interest in the question of how the succession duties operate. The question arose recently with regard to the Ontario succession duty, as to whether or not the duty applies twice in cases wherein an estate is left with instructions that its income shall go to one party, say the widow, during her lifetime, and shall then be passed on to other parties, the family, for example.

In a situation wherein the widow of the deceased is to receive the income from the latter's estate during her lifetime, the value of her share is determined from the mortality tables on the basis of the probable duration of her life at her present age. The succession duty applies to this portion of the estate alone, it being assumed that the balance is still the original estate and has not been disposed of. At the death of the widow, the balance of her share, if any, along with the balance of the original estate, is passed on to the heirs in regular order. The succession duty in this case applies to the total amount involved in the final disposition of the estate.

In such cases wherein the share of any one beneficiary exceeds a fixed amount, an additional rate is payable thereon by the beneficiary. When an Ontario estate exceeds $75,000, but does not exceed $150,000, an additional rate of 3 per cent. is charged the beneficiary. This, however, does not alter the general succession rate which attaches to the original estate after the death of the temporary beneficiary.

LIMITS TO PUBLIC OWNERSHIP

Kingston Whig:—As we said before, the Whig has been a supporter of public ownership, but there are limits to every good thing. A public-owned system that inherited a colossal debt and which must every year add to that burden other millions of dollars is a condition that cannot be permitted to continue. If we do not end it, it will soon end us. This railway question, therefore, is the most serious one that confronts the Dominion to-day, and some solution for it must soon be found.

Young Men in Finance

J. A. Eccles Visited Every Town in Canada Before Starting to Sell Our Municipal Issues

By RIELLE THOMSON.

J. A. ECCLES

JAMES A. ECCLES, as president of the firm of Harris Forbes & Co., is usually to be found during business hours in the dim and somewhat ecclesiastical atmosphere which pervades the head office of the company on St. John St., Montreal. They say that he is an easy man to see, but a hard one to sell.

It is difficult to determine the nationality of "Jim" Eccles, for he says he is American, but this cannot be, for both his parents were Scottish and were born near Glasgow; moreover, he in all probability, knows Canada much better than most Canadians. This last is accounted for by the fact that his firm, Harris Forbes & Co., were one of the first American bond houses to begin placing Canadian municipals for their clients; as a consequence, Eccles was sent from coast to coast in Canada studying the finances of the provinces and municipalities. Some indication of how carefully this was done and how closely he was brought in contact with Canadian affairs may be judged from the fact that his work in Canada took him to every town in Ontario with a population of 5,000 and over. All this occurred in 1915-16.

Completed Course in Three Years

Eccles was born in 1887 and went to school in Cambridge, Mass. Seventeen years later he went to Harvard University and completed its four year course in three years and graduated, incidentally, with honors.

In connection with his course at the university, there is an interesting side-light to be obtained on the man. Due to the early loss of his father, Eccles was handicapped but, nevertheless, he carried out his intention of obtaining a college education. In the summer months, working at a bank in Boston helped to put him through his course in finance and economics during the winter. While at Harvard he became a member of the D. U. Fraternity.

On leaving college he went into the Hood Rubber Co., in Boston, where they wanted to give him a job in the office, but he asked to work actually in the plant. After a little time spent in the office he went to the plant itself and clocked in at 7 Ack Emma with the rest of the boys. He was only allowed to spend six months in actually turning crude rubber into various commodities. Then they brought him back to the office once again.

After some three years with the rubber company, a friend persuaded him to go to N. W. Harris & Co., the predecessor of the firm with which he is now connected.

His first job in the bond house was on the publicity end and, after a year on this, in 1913 he joined the corporation department of his company and, upon its completion, he returned to the United States, where he was in charge of the sales for the State of Rhode Island for some time. In 1919 Eccles returned to Canada and shortly after became a partner in the firm of Harris Forbes

(Continued on page 11)

W. S. Fallis, New C.M.A. Officer, is Slated for 1927 Presidency

At the annual meeting of the Canadian Manufacturers' Association, there is never much more than formality to the election of the president and the first vice-president. The real interest centres in the election of the second vice-president for when a member joins the highest trio as the occupant of the post he is definitely on his way, through a process of two yearly promotions, to the presidency. W. S. Fallis got the post this year and so in 1927 the C. M. A. is likely to have at its head a man who will have, at that time, been less than ten years an industrial executive of national importance. Mr. Fallis' rapid climb to prominence has been interesting to watch during the past few years, especially as it has been the result of effective service to his own company, the Sherwin-Williams Company of Canada, and of generous service to industrial life in Canada as a whole.

He has been an active C. M. A. worker for a number of years.

W. S. FALLIS

Diversification of Investments

Diversification is one of the fundamental principles of sound investment, whether confined to one type of security such as government bonds, or whether the list includes representatives of several different groups.

The June List just issued gives a well worked out and interesting example of diversification. It also contains investment offerings including securities of the Dominion of Canada, the Provinces, Cities and other muncipalities, together with a selected list of Corporation Securities and External Foreign Loans suitable to the needs of all classes of investors.

The present yields vary from 4.25% to 8%

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Investment Securities

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

BALDWIN MINES

Hamilton Inquirer:—Would be glad to know the position of Baldwin Mining Co. I understand that some broker is trying to get control. What would be the result?

Baldwin mining property is considered by some engineers of standing as being a property with an excellent chance of working into a mine. We have not heard of the contest for control. Those behind the venture so far have not met with success in raising the necessary capital. It may be that they have drained their sources of funds and new blood might help. It strikes us that the proposition would do better under a reorganization and an effort put forth to interest some big mining company or big money interest in the venture so that the property would be tested cut in a big way. That would seem the desirable method of procedure, if the company could put it over. The stock is quoted daily on the Mining Exchange and is now selling around 3 cents.

CHAPUT—HUGHES

Reader, London:—Would you advise the address of head office and mine office of Chaput Hughes? What position are the affairs of the company in? Has it gone into liquidation?

The outlook for Chaput Hughes was never so bright as it is now. Kirkland Lake Gold has made a very fair working arrangement with the company to develop its property from its deep workings. The basis of the arrangement is that the Kirkland Lake take up certain stock issues. The operation on the Kirkland Lake has worked out successfully. So far they have not run the crosscut south into the Chaput Hughes property which they have agreed to do. This will come later. The last report was that the company had 1,365,000 shares issued. The head office is 1507 Royal Bank Building, Toronto, and the mine office, Kirkland Lake.

TRETHEWEY-TOUGH

W. S., Ontario:—I would like to get some information in regard to the Trethewey-Tough Mining Syndicate, being handled by the Federal Finance Corporation, Toronto. The president is J. L. Trethewey.

Trethewey-Tough Mining Syndicate is a proposition run by a number of mining men to operate much along the same scale as some of the English mining syndicates. They propose to take up properties, do some work on them, and if they prove worthwhile, to turn them over to some company at a price. They already have had one or two small successes in this way and the latest adventure is to finance the further operations of the Bidgood Gold Mines.

The proposition is to be regarded as being quite speculative. They are going into the field to purchase raw mining prospects. Their profit will depend on how low they can purchase a fairly promising looking property and how high they can sell it on a sale.

INDUSTRIAL ALCOHOL

Subscriber, Copper Cliff.—What is your opinion about Canadian Industrial Alcohol around present prices? I was considering a purchase of 100 shares for a speculation. Do you consider they will be able to keep up the present dividend as it returns about 8 per cent. and seems fairly high?

Your question as to the future of the stock Canadian Industrial Alcohol Co., is, at the present time, hard to answer for a variety of reasons. Lately as you are aware, the shares of the company have shown a marked tendency to ease off in price; this is the natural reaction in a company which has had the success which has signalized "Industrial Alcohol," also as the stock was split two to one last year, the larger number of shares would possibly have the effect of lowering values to a certain extent.

Operating costs at some of the plants have recently been reduced and the four summer months are generally regarded as being the period during which the company operates to the greatest profit. The company has no capitalization other than the common shares.

As well as manufacturing industrial alcohol the company makes several kinds of liquors, though at the present time the sales of the former are understood to be growing and now total more than half of the sales. This may offset some of the rumors which indicate that the company would experience difficulty, should the American and British Governments come to a better agreement on the liquor question, for it is said, that some of the production of the company finds its way into the States—probably though, the effect of anything of this nature has been greatly magnified, for the company had foreign markets for its whiskies long before the Volstead Act was ever thought of.

Young Men in Finance

(Continued from page 10)

Canada in 1915 on an investigation for tion department. He first came to & Co. He only came to stay six months, but he has been here ever since, so that when his firm incorporated here, he became president of the new company.

His firm, incidentally, has been intimately connected with Canadian utility bond financing and was responsible for financing the first high tension transmission power company in the Empire. This was the Hamilton Electric Light & Power Co., which was incorporated in 1899 to develop Decew Falls. This company has since been absorbed by the Dominion Power & Transmission Co. During the time that Eccles has been in Canada, his firm has been identified with the financing, amongst others, of Price Brothers, Montreal Tramways, Bell Telephone and International Paper.

According to Eccles' arrangement with his firm, he may return to the States at any time. What keeps him? Possibly because he is, in reality, British in his instincts, also, he married a Canadian.

Eccles gets most of his amusement and exercise from the two horses which he keeps here in Montreal, but he also shoots golf occasionally. He plays tennis just as badly as he does golf. He has a rather serious, conservative attitude of mind, which mingles well with the general attitude prevailing in the firm with which he is associated. This does not mean, however, that he can't appreciate a joke. He has a keen enough mind to carefully avoid that great snare of many business men—"Babbitism."

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The American Attitude On Our Embargo Proposals

The National City Bank, New York.

The people of the United States and Canada who believe that the prosperity of these two countries will be best promoted by allowing the individual citizens of both to bargain and trade together as they find it mutually advantageous, about as they do within each country, have numerous occasions to protest against proposals to have one government or the other interfere with such normal relations. The Fordney act struck Canada several hard blows and naturally provoked retaliation. Two proposals are now pending on the other side of the line which if carried through will seriously affect interests in the United States.

One of these is the proposal to place an embargo on the export of pulp wood. As the forests of the United States have been cut away the pulp mills of this country have drawn at an increasing rate from the forests of Canada, until a large part of their production is from wood of that source.

An interruption of that supply would not only seriously affect their business and their investments but seriously affect the paper consumers of this country, and also the interests of the Canadian owners of timber who desire the competition of American mills. The purpose is said to be to conserve the Canadian timber resources, which, however, like the timber resources of this country, have suffered more from fire than from the consumption of paper mills A more practical purpose seems to be that of forcing the manufacture of pulp in Canada, and there are suggestions that when this has been accomplished the next move will be an embargo on pulp to compel its manufacture into paper before shipment from Canada.

Many of the pulp companies of this country have purchased standing timber in Canada to supply their mills in the United States. The growth of the industry, however, is practically all in Canada, the increase in Canadian production from 1920 to 1924 having been 54.6 per cent., with 87 per cent. of that production exported, and 98 per cent. of the export to the United States.

Electric Current

A similar agitation exists in regard to the exportation of electric energy. Water power is one of the resources with which Canada is well supplied, and naturally the Canadians would rather have it used by industries within the country than exported. On the other hand, the development of hydro-electric power requires heavy capital investments and unless the power is promptly salable, accumulating interest charges will soon load an enterprise down hopelessly. Export of surplus power to the United States may promote power development in Canada, by helping new enterprises to pay their way.

Heretofore no embargo or tax has been laid upon the export of power, but it could be exported only under licenses granted by the Dominion government, and it has been the policy to grant licenses only from year to year. This restriction has discouraged the building of costly transmission lines. Recently movements to secure licenses for considerable periods, with a view to supplying power to the industries in the United States on a much larger scale, have stimulated an animated discussion. Strong opposition has been manifested to licenses over extended periods, but less to licenses for short terms. The Finance Minister in presenting his budget for the fiscal year 1925-26 included a recommendation for a Federal export tax of $1.95 per horsepower per year. The amount of electrical energy exported in 1924 was 1,396,521,740 kilowatt hours, having an estimated value of about $14,000,000.

The official Canadian commission which has been making an inquiry into the grain trade has recommended the imposition of an export duty of 42 cents per bushel upon wheat entering the United States for milling purposes, the purpose as reported by the newspapers being to prevent the grinding of Canadian wheat in bond by American mills.

In recent years there has been a considerable development of the practice of importing Canadian wheat in bond. Several large mills have been built at Buffalo, a convenient location for obtaining wheat from the primary markets of either country, and for selling either in the domestic market or abroad. The leading milling companies of this country have built up an important export business in the past, which they may not always be able to supply from homegrown wheat. Undoubtedly in the long run the surplus wheat supply of this continent will be in Canada, and our millers have been looking forward to this situation. On the other hand, the Canadian millers would like to be rid of this competition and apparently their arguments have been successful with this commission. The Canadian farmers who have wheat for sale may have a different view. It cannot be supposed that the grinding of Canadian wheat will be confined to Canadian millers, and if the millers of Europe may have Canadian wheat for grinding, why not the millers of the United States?

Probably the principal reason for this agitation is to be found in our own legislation affecting Canadian interests. It might be hard to tell which country has been most disregardful of mutual interests, but if a careful inquiry was made to determine the net results of all efforts to benefit either at the expense of the other it would quite surely be found that both have been injured. If the legislators of both countries gave less atention to particular interests and were guided instead by the general principle of reciprocity and harmony of interests, the results would be better all around. Does anybody believe that the economic interests of either the western or eastern halves of this country would be on the whole promoted by establishing trade barriers between them along the Mississippi river?

Current Opinion

WE NEED OUR RESOURCES

Victoria Colonist:—That economically this country should have harmonious relations with the United States is not denied in any quarter, but that this Dominion should sacrifice her resources for the benefit of trade competitors is quite another matter. It is the policy of the Dominion government in the latter regard that has halted prosperity in the country and that has led to an exodus of our citizens to seek employment on the other side of the international boundary.

THE GOVERNMENT'S CHANGE

Manitoba Free Press:—That the Railway Commission had power to remedy the Brantford grievance can be very easily established. If the Commission had handed down a judgment ordering the railways to remove the discrimination against Brantford, would its judgment not have been valid? Would the railways have had any recourse against this order except an appeal on grounds of policy to the Governor-General-in-Council?

But the Commission, which in October was so willing to experiment with its powers, reaching out beyond its jurisdiction in order that rates might be raised, in May put the narrowest possible construction upon its powers, thereby providing itself with a reason why rates should not be lowered.

And we very greatly fear that the government has changed, too. The Dominion government of twenty years ago would never have let a situation like that which has arisen over the freight rates, develop and continue month after month.

THE ROUND OF TAXATION

Peterborough Examiner: It used to be a favorite ground for criticizing the Drury administration—and a legitimate one, too, for that matter—that the U. F.O. government had distinguished itself by saddling the people of Ontario with new forms of taxation.

The present administration, however, has not only kept in force all the Drury levels—except the tax on pool tables—but has, in addition, shown itself most skilful in devising new methods of prying money from the pockets of the taxpayers.

The gasoline tax went into operation on Monday—nothing wrong with the logic of making those who use the roads most pay the most for their upkeep, but nevertheless it is a fresh tax levied by those who most bitterly attacked the taxation schemes of its predecessors in office.

The beverage tax, which not only covers the sale of 4.4 beer but takes its toll from the users of the innocuous soda water and pop, is another new raid upon the pocket-book of the public.

The citizen who on a Saturday afternoon drives his car to a ball game pays a tax on the gasoline that takes him there, a beverage tax on the 4.4 beer if he may stop to drink en route, an amusement tax as he passes through the gate and the beverage tax on the bottle of pop he consumes in the grandstand. And if he smokes a cigarette or two during the game he is paying an excise tax both on the cigarettes and the matches with which he lights them.

Life is just one tax after another.

MADE-IN-CANADA

St. John Times-Star: Canadians should patronize home goods first on all occasions, assuming their values to be at least equal to those of imports. But nothing is gained by saying that this country last year bought $800,000,000 worth of goods that could have been made in this country by Canadians. On examination the $800,000,000 is found to include the entire imports of the country. That means many importations of immense value which could not be replaced by home products, for example, coffee, tea, raw cotton, diamonds, anthracite, and a great many other things. The country could not get along without imports, no small portion of which necessarily consists of raw materials for our industries. What may fairly be contended is that we should tax luxuries to a greater extent, and that we should greatly reduce our purchases of imported goods which really could be produced to advantage in this country without resorting to the extremes of protection necessary to promote artificial industries.

Letters to the Editor

UNITED GRAIN GROWERS' MEETING

Editor, Financial Post,
Sir:—

Our attention has been called to the Financial Post of April 17th, in which you reproduced from the Farm and Ranch Review of Calgary an article attacking United Grain Growers, Limited, originally published in the March 10th issue of that paper, over the signature of the editor, Mr. C. W. Peterson. The whole attack is based on allegations that the shareholders of this company are prevented from attending the annual meeting and asking information about the transactions of the concern during the past accounting period. Mr. Peterson says that the directors of this company "take the responsibility of limiting the time-honored right of attendance at annual meetings enjoyed by shareholders the world over."

These statements could hardly be more untrue. There is absolutely no limitation upon the right of any individual shareholder to attend any annual meeting of this company, or to ask any question he may desire to ask. Many individual shareholders are in attendance at every meeting.

Voting power at the annual meeting is vested not in individual shareholders as such, nor in the holders of proxies, since proxy voting is not allowed, but in 350 official delegates elected by the 35,000 shareholders of the company in local meetings. This rule is not imposed by the directors, who have no power to alter it, but is found in the charter of the company, established by act of parliament. This method of organization differs from that of ordinary joint stock companies, but is found in other companies organized upon a co-operative basis for the benefit of producers. The object of the method is to insure equal rights to all shareholders, regardless of the number of shares held, and an equal chance to participate in the affairs of the company. Shareholders are organized into locals and each local elects, according to its size, one or more delegates to the annual meeting. Traveling and living expenses of delegates are paid, in order that no one may be prevented from attending. Thus from every district where there is a body of shareholders there comes a delegate to the annual meeting to present the views of local shareholders, ask any questions that the shareholders want to have asked, and carry back to the local shareholders a report of the transactions at the annual meeting to supplement the information contained in the published annual reports of the company.

Yours truly,
R. S. LAW,
Secretary, United Grain Growers, Ltd.

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Selling 40c. Stock for $3 by Using Old Exchange "Gag"

Banker, B. C.—One of our clients has been approached by Lewis Oil Corp. with a proposition to exchange 1,244 shares of Canadian U. S. Oil for 124 shares of Lewis Oil. He has to pay $372 in cash. Kindly give us your opinion of the proposition.

Shareholders of Canadian, United States Oil are not the only ones approached to exchange their shares for those of Lewis Oil. The latter is a United States concern of which we know little about. We have never been favorably disposed to United States Oil, but on the other hand would consider that the stock must have some tangible value if we could be satisfied that the Lewis people are desirous of acquiring it for itself and not for the $372 additional cash your client is asked to put up. Not long ago Peace River Petroleum shareholders, whose holdings are considered worthless were offered an exchange of stock. The offer to Peace River people said that shareholders were being given the special privilege of exchanging their stock for gold notes and stock in Lewis Oil Corp., which is one of the largest independent oil companies engaged in producing, refining and marketing of petroleum products in the United States.

One might well ask why give up Gold Notes, with a market value, for stock that to-day has no value. When this offer was sent out, the shareholders were told that a salesman would call, presumably to explain the amount of new money needed. Better tell your client to regard the Lewis Oil offer as an effort to sell him 124 shares of Lewis Oil stock for $372 and size it up from the viewpoint of whether he wants another oil gamble or not. Our advice to Canadians has been, that if they are going to gamble with their money why turn to U.S. oil propositions when our mines, particularly those of your province, are so badly in need of some gambling money, which to our way of thinking give better chance of working out a success. Incidentally the funds will be in a proposition on which your client can readily secure information and will be subject to laws with which he is familiar. The last quotation we saw on Lewis oil was 40 cents for the 8 per cent. notes and 20 cents for the stock. If he got 124 of the 8 per cent. gold notes of $1 par (we presume), he would be paying $3 for them, but doubtless the offer is one of gold notes and stock. Your client can figure out the price and compare it with the ones we give. These are reported to us as actual sales.

Incidentally we would be curious to learn who made your client the offer.

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a reader writes—

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Toronto,

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(Name on request.)

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BIG HOME MARKET BEING DEVELOPED FOR OUR ISSUES

Investment Bankers Responsible for Keeping Offerings at Home

By J. A. ECCLES,
Past President, Canadian Bond Dealers' Association.

In considering the post-war financing done at home, Canadian bond dealers are not, of course, unmindful of the economic forces which during a large part of the period assisted in creating the funds for the absorption of these internal issues. From the beginning of the deflation up to the present time, with the accompanying drop of over $500,000,000 current loans from the peak in September 1920 to their low in February of this year, the banks of this country have been investing factors of very large proportions. In the highest grade internal issue, such as government and municipal, the demands of the banks and the increased investing power of such lending institutions as the life insurance companies, together with a very praiseworthy effort on the part of borrowers to restrict their obligations to refunding or imperative needs, have contributed to a steady absorption and a marked scarcity.

Unquestionably, the very rapid absorbing power of the United States markets of Canadian external issues, at rates somewhat lower than those readily secured in Canada, has within recent months also exerted a strong influence on the domestic market level. The result has been that the individual investor, who before the deflation period was able to secure a return of over six per cent. on these high grade issues, is now forced to reinvest his maturing funds at considerably less than 5 per cent. in bonds of this type. Faced with increased expenses, taxation and other burdens incident to the period, he has been inclined to withdraw to a large extent from the government and municipal field in favor of the institutions. Corporation isues yielding better returns have, of course, been available to some extent, but during the industrial and commercial depression through which this country is passing, there has been, with few exceptions, little justification for expansion, and, except for refunding purposes, slight need for corporation financing of fixed maturity. To the corporation obligations that have been offered, the investor has turned his attention, but in this field the opportunity for diversification is, for the reasons which I have mentioned, unfortunately limited and there has been an occasional and regrettable evidence of capital leaving the country in the purchase of foreign government and corporation securities.

We are at present in a transition period, looking forward to the time when it is possible for Canadian industry to compete profitably with the producers of the world, when funds will again circulate and your organization, not now completely in full operating activity, will be engaged to the limit of their capacity in the gradual redistribution of the banks' holdings and in meeting with fresh capital the proper demands of a healthy national growth. We are disturbed by a realization of the difficulties ahead of the industry of this country, in the form of narrow domestic markets, geographical differences, financial burdens, direct and indirect taxation and other handicaps resulting from the war and over-zealous expansion. But, despite the critics and the pessimists, which such times as these create for the general good of us all, we, who are in touch with many different phases of Canadian life, have confidence in the underlying soundness of conditions and have faith in that patience, prudence and energy of the Canadian people which have surmounted obstacles and serious depressions during the years that have gone to make up the history of this country.

In the meantime, some hope may be had in the healthier condition of the West, in the increase in the purchasing value of the agricultural dollar, in the improved demand for farm lands, in the better state of collections, in the increase of building permits, in the decrease in the number of commercial failures, in the emergence from the depths of depression of certain industries on a readjusted

(Continued on page 13)

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	100¼	100¾
Alabama 6% 1962	93½	94¼
Algoma Steel 5% 1962	32	32½
Belding 5% 1936	85	..
Belgo Can. Paper 6% 1943	100¼	101
Brand-Henderson 6% 1939	90	..
Burns, P. & Co. 6½% 1943	100¾	102¼
Can. National Rly. 5% 1954	100¾	101½
Calgary Brewing 5% 1942	83¼	..
Can. Steamship Lines 7% 1942	98¾	99¼
Can. Light & Power 5% 1949	54¾	..
Can. Pacific Rly. 5% 1934	99½	99¾
Can. Steel Foundries 6% 1936	100	
Dom. Iron 5% 1929	..	49½
Dom. Power 5% 1932	96¾	..
Dom. Textile 6% 1949	105	..
East Koot. Power 7% 1942	100¾	101½
Frontenac Brewing 6% 1951	85	..
H. Smith Paper 6% 1934	97	..
Lake Sup. Paper 6% 1941	105	..
Laurentide Power 5% 1946	99¼	101
Laurentian Power 6% 1936	.99	..
Maple Leaf Milling 6½% 1943	104	
Man. Power 7% 1941	103	104
Mattagami 7% 1949	30	..
Montreal Steel Works 6% 1940	100	
Prov. of Ontario 5% 1948	101¼	101¾
Nor. Ont. Power 6½% 1931	99¼	100
Ontario Pulp 6% 1931	106	..
Price Bros. 6% 1943	100¼	101
Quebec Power 6% 1953	101¾	101¼
Shaw. Cotton 6% 1949	..	85
South Canada Power 6% 1948	103¼	..
Spanish River 8% 1941	107½	107¾
St. Maurice Power 6½% 1953	107	107¾
West Koot. Power 6% 1943	102¼	..
West Power 5% 1949	93	..

BOND MOVEMENTS OF THE WEEK
WEEK ENDING JUNE 9

BONDS	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Bell Telephone	5	1925	5.00	100½	98¾	100	98¼	—	98	100	—
Canada Cement	6	1929	5.42	103½	100	103¼	100⅜	—	102½	102½	100⅜
Cons. Rubber	6	1946	5.95	102⅜	98¾	100⅜	95	—	100½	100⅜	—
Cedar Rapids	5	1953	4.93	99¼	95	101	97	—	99½	101	—
Montreal Trams	5	1941	5.12	95½	91	98¾	93	98	96½	98¾	98
Quebec Rly.	5	1939	5.54	91	80	94⅜	89¼	95	—	94⅜	94
Riordon	6	1929	6.00	91½	73	100	93½	100	—	100	—
Steel of Can.	6	1940	5.54	103½	103	105	104	—	104½	104¼	—
Wayagamack	6	1951	7.08	86	74	87¼	84¼	87	—	87	—
War Loan	5	1925	4.00	100.95	100.15	101.15	100.10	100.50	100.40	100.25	100.15
Do.	5	1931	4.55	102.40	100.60	102.65	101.00	102.55	102.45	102.35	—
Do.	5	1937	4.49	103.85	102.20	104.75	103.80	104.75	104.65	104.75	104.40
Victory Loan	5½	1927	4.30	103.05	102.05	103.15	102.05	102.75	102.65	102.60	102.50
Do.	5½	1933	4.52	100.70	104.30	107.00	105.90	106.70	106.60	106.80	106.40
Do.	5½	1934	4.88	104.70	102.35	104.75	103.20	104.50	104.40	104.50	104.25
Do.	5½	1937	4.47	108.90	106.15	110.00	108.45	109.75	109.65	109.85	109.40
Do. Renewal	5½	1927	4.70	102.70	101.15	102.95	101.50	101.85	101.75	101.75	101.50
Do. "	5½	1932	4.85	103.90	102.10	104.20	103.10	103.80	103.70	103.85	103.60
Do. Refund	5	1928	4.63	100.85	99.40	101.35	100.45	101.05	100.95	100.95	100.80
Do. "	5	1943	4.78	102.85	99.00	102.90	101.20	102.65	102.55	102.90	102.50
Do. "	4½	1944	4.73	97.15	97.00	97.35	95.10	97.10	97.00	97.25	97.20

News of the Investment Markets

IS B.C. PLANNING TO KEEP CONTROL OF P.G.E. ROAD?

Six Million Bond Issue May Have Significance in This Respect

The $5,925,195 bond issue being offered this week on the Pacific Great Eastern Railway would not be classified strictly as a government bond, but in reality has the standing of such, being guaranteed by the province of British Columbia, both as to principal and interest. The provincial government, moreover, undertakes to introduce legislation which will make provision for the establishment of a sinking fund of $325,930 per year which is payable out of the consolidated revenue fund. The issue consists of $2,565,195 first mortgage 4½ per cent. guaranteed bonds, and $3,360,000 guaranteed bonds. Both have the backing of the province. The issue is being sold at 94.21 to yield 5 per cent.

While more than $45,000,000 has already been sunk in the Pacific Great Eastern and the annual interest charge is $2,000,000, certain factors make the operating outlook somewhat better. It was stated a short time ago that logging operations, during the winter months were helping the earnings of the company. Then again the discovery of extensive coal deposits at Hat Creek may prove an important factor in negotiations for the disposal of the railroad by the provincial government, or in the future operations of the railways by the British Columbia government. It has been stated that if the coalfields produce as much traffic as expected, the government may be content to continue operating the system. The magnitude of the present bond issue seems to lend some degree of probability to this solution of the matter. Then again, revival of the cattle industry in the Cariboo and the Lillooet districts, and better markets for farm produce and lumber seems to forecast better business for the road.

Operating Prospects Better

While the coal fields referred to are yet in a preliminary stage of proof, the provincial government is hopeful that they may develop into one of the highest producers in the Dominion. Diamond drilling was carried out in holes a mile apart, and tests show that there is a depth of 525 feet of coal, practically unbroken by shale. The bores show the coal to be remarkably clean, and assayers pronounce it to be semi-bituminous. It is said to show low ash and moisture, and to be high in British thermal units. The successful proving of this coal field would make a material difference to the earnings of the Pacific Great Eastern.

It will be remembered that negotiations have been under way for the sale of the Pacific Great Eastern to the Canadian National or the Canadian Pacific Railway. More recently a greater degree of interest has centred in the possible extension of the link up with the Peace River country. Sir Henry Thornton is said to have proposed leasing the line of the Edmonton, Dunvegan and B. C. Railway and building a $20,000,000 extension. It is highly desirable to complete a connection between North Vancouver and the Peace River country, through Prince George. Not so much is heard of these negotiations of late, however, and this, along with the present financing, would seem to indicate that the province may possibly see its way out of the operation of a line which has a very close relation to the development of the province.

Announcement of a $50,000,000 American loan to Belgium was regarded in Wall Street as the forerunner of heavy foreign financing in the New York market in the next few months.

Nearly Billion Tax-Free Bonds Still Outstanding

The announcement of Acting Finance Minister Robb that the government would use its surplus funds for the purchase of tax exempt securities, draws attention to the issues now available. Approximately $1,336,807,000 tax exempt bonds were issued during the year 1915-18, inclusive. There were eight issues in all, six were for war purposes directly and two for general requirements. Two have already been paid off, one in 1922 and the other in 1923. Those still outstanding, their dates of issue, maturity date and rate are shown in the following table:

1917 .. .. 1927 5½ 63,437,250

Issued	Due	Rate	Amount
For War Purposes			
1915	1925	5%	$42,014,500
1916	1931	5	52,931,600
1917	1937	5	90,166,900
1917	1922	5½	182,834,500
1917	1927	5½	63,437,250
1917	1937	5½	236,298,850
1918	1923	5½	172,459,650
1918	1933	5½	446,663,800
Total			$1,286,807,050
Other Loans			
1916	1926	5	25,000,000
1916	1931	5	25,000,000
Total			$1,336,807,050
Less matured			355,294,150
Total outstanding			$981,512,900

Abitibi Subsidiary Will Develop Power

From Our Own Correspondent.

MONTREAL.—The taking over by Abitibi Power and Paper Company of the power plant of Hollinger Gold Mines at Island Falls, has resulted in the formation of a subsidiary to the paper company to be known as the Abitibi Electric Development Company, Limited. The additional expenditures that will be required as a result of the acquisition of the power plant will be provided by new financing in the form of 6 per cent. guaranteed notes of the Abitibi Electric Company, maturing from July 1, 1926, to July 1, 1929; that is, from one to four years. Interest and principal will be guaranteed by the Abitibi Power and Paper Company. The amount of the issue is $1,600,000, and this, it is understood, will be offered by Peabody, Houghteling & Company, of Chicago, the investment house with which the Abitibi president, Alexander Smith, is closely identified. The notes will yield from 5 to 6 per cent. according to the maturity. Montreal Trust Company has been appointed trustees for the issue.

PORT ALFRED INCREASES CAPITAL

MONTREAL.—Letters patent have been granted to the Port Alfred Pulp and Paper Corporation which allows the capital to be increased from 30,000 to 60,000 common shares of no par value and allows the company to issue 60,000, 7 per cent. cumulative preferred shares of a par value of $100.

EPISCOPAL BOND OFFERINGS

Two bond offerings have just been made by the Credit Anglo-Francais of Quebec, one for $128,000 on the Episcopal Corporation of Ottawa, and the other for $109,000 on the Episcopal Corporation, of Alexandria, Ontario. Both are 5 per cent. issues and are being sold at par. They are secured by certain religious and educational properties in the dioceses, such as university and college properties.

GOVERNMENT AND FARMERS COMPETE

Attractive Mortgage Loans in Ontario Are Scarce and Interest Rate is Cut

The action of the Ontario government in reducing the interest rate from 6 to 5½ per cent. on loans made through the farm loans system which employs the funds of the provincial savings offices, reflects the tendency to lower yields on mortgage and other investments. But in Ontario it is not so much a question of competition with the private mortgage loaning institutions as it is a matter of getting good loans which are not taken up by private individuals. For some years agriculture generally in Ontario has been prosperous with the result that a great many mortgages have been paid off and where loans are still required there are usually farmers in the district who have surpluses which they are willing to loan to their neighbors.

The present position of the government farm loans board in Ontario appears to be that only mortgages on sound security are being taken up and in the case of these it is necessary to reduce the rate to compete with private individuals with funds to loan. The latter are now willing to accept 5½ per cent. where there is satisfactory security because it is difficult to do better than 5 per cent. on high class bonds.

RAILWAY EARNINGS

CANADIAN PACIFIC RAILWAY

Week end.	1925	1924	Change
May 31	$3,626,000	$4,528,000—	$902,000
June 7	2,860,000	3,198,000—	338,000

CANADIAN NATIONAL RAILWAY

Week end.	1925	1924	Change
May 31	$5,615,197	$6,526,554—	$911,357
June 7	4,029,141	4,302,203—	273,062
Jan. 1 to uJne7	91,368,222	99,486,694—	8,118,472

A Five Year Mortgage to Yield 6.60%

Wayagamack Pulp & Paper Co., Ltd.

Net assets of $9,971,032 to secure issue of $1,500,000.

Earnings for past 7 years average over 6 times interest requirements of this issue.

Descriptive circular on request.

Matthews & Company Limited, Bond Dealers, 255 Bay Street, Toronto

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The Fortune Builder

One of the essential elements in the building of a reserve of money is time. Sometimes this element is overlooked. It is said that one cannot aim too high. This does not always work out in finance. Many try for a million and end in disaster.

Far better compute your future income and capital on a five to six per cent. basis, and this from investment in sound bonds.

You will be surprised to see what a very comfortable and safe money reserve this will yield you with the years.

Consult us.

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Members { Montreal Stock Exchange, Toronto Stock Exchange

Wanted: **Local Sales Manager**
with ability to organize sales force required for this section, to sell First Mortgage Real Estate bonds and securities of proven merit. An exceptional opportunity is offered. Exclusive territory. Apply giving full particulars to President, Suite 58, 232 St. James Street, Montreal.

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The reputation of the underwriters is often the finest possible insurance of the safety of the investors' principal and the payment of his interest when due.
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Wayagamack
Five-Year 6½'s

Wayagamack Pulp and Paper Company have been operating since 1910. Their Kraft products are known throughout the world as the standard of quality.

The addition of a newsprint paper mill, now being erected on their property under exceptionally favorable conditions, will place Wayagamack in a very prosperous position.

A net estimated surplus of $907,238 will be available for the redemption of these bonds. $4,536,190 to redeem $1,500,000 at maturity.

Price: 99.50 and interest —to yield 6.60%.

Full particulars on request

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Municipal and Provincial Finance

DEBT CHARGE IS LOWERED BY USE OF SERIAL BONDS

Obligation is Retired During Life of the Property

"In a city like Toronto, where a huge investment has been made in publicly-owned utilities, serial bonds are especially desirable in that the debt runs off concurrently with depreciation (through use or obsolescence) of the asset, and the last bond is paid before the useful life of the asset has expired." This is one of the advantages of serial bonds pointed out by the Finance Commissioner of Toronto in his annual report issued this week upon the funded debt and sinking fund of the city for the past year. The report deals specifically with the funded debt of the city, explaining why it was incurred and the provisions for its redemption.

"Another advantage of this type of bond is that an investor can almost invariably choose his own maturities. This is a distinct advantage, particularly in the case of trustees for estates, who desire to be in funds at a given date. Last, but not least, there is a marked saving effected in debt charges through using serial bonds instead of sinking fund bonds.

"Prior to 1916 the city followed the accepted practice of financing its capital undertakings by the issuance of sinking fund debentures," the report continues. "Under this plan all bonds of an issue mature on a fixed date, a given number of years hence, according to the terms of the loan. Under this plan, by predetermination, a fixed number of bonds mature each year over the life of the loan and are paid as they mature. The bonds are issued in $1,000 denominations, or the equivalent in sterling. Serial bonds are a particularly safe method of finance for municipalities, as they preclude the possibility of a municipality failing to pay its sinking fund the required annual levies, and eliminate the risk involved in the handling of huge sums set aside awaiting investment. Under the serial bond plan, a number of bonds mature each year and must be paid—there can be no postponement or default.

"The sinking fund was originally established and has since been operated on a 3 p.c. earning basis. Experience and periodic actuarial tests have proven the annual levies sufficient to retire all debt at maturity. In the past 35 years no maturing debt has been refunded.

"The fund is limited by statute to the purchase of securities authorized as legal for the investment of trust funds. For some time past the average yield on these investments has been over 5 per cent., so that of late the earnings of the sinking fund have averaged annually about $500,000 over actuarial requirements. It is the established policy of the city to use these excess earnings for the purpose of extinguishing, before maturity, bonds which have been issued for non-revenue-producing services. In the past 6 years no less than $5,500,000 of this class of debt has been retired by this means, resulting in considerable permanent relief to the taxpayers in the matter of debt charges."

Municipal Notes

NEW STRATFORD SCHOOLS

The Board of Education proposes to build a combined collegiate and vocational training school, the estimated cost of which will be in the neighborhood of $100,000.

INTERNATIONAL BRIDGE PLANS

Conferences have been held between officials of the Canadian border cities in the environs of Windsor, and representatives from Detroit, with regard to possible action to assure the building of the new international bridge under public rather than private initiative. It was stated that the present franchise had been obtained by the American Transit Companies but has since been transferred to the New York Transit Company.

TOWNSHIP SOLD FOR TAXES

Owing to the fact that there were no taxpayers and no taxable properties the township of Longford, lying at the northern extremity of Victoria County was recently sold for taxes. Although the assessed value of the land, according to municipal statistics for 1923, was $20,000, the township which comprises 38,373 acres, was sold for unpaid taxes of $2,000.

Tenders and By-laws

TENDERS WANTED

June 17, City of Shawinigan Falls, P.Q.—$245,700, five per cent., serial debentures. A. J. Meunier, sec.-treas.

July 15, Quebec City.—$758,000, 5 per cent., 30-year straight or serial, or 4½ per cent., 30-year straight. City treasurer.

June 15, Port Perry.—$23,420, 5½ per cent., 10 instalment debentures. E. E. Purdy, clerk-treas.

QUOTATIONS ON FOREIGN BONDS

British Nat. War Loan 5% 1927	$101½-103½
British Nat. War Loan 5% 1929	101½-104
British Nat. fund. 4% 1960/1990	88-90
French Internal 4s 1917	22-25
French Victory 5s 1920	26-29
French Premium 5s 1920	32-34
*German Government 5%	825-925
*Ger. Govt. 4/5 Enf. Loan, 1922	9-11
Prussian Consols 3½s	1-1¾
*City of Berlin 4s 1922	175-250
City of Berlin pre-war issues	9-10½
*City of Hamburg 4½s 1919	150-200
City of Hamburg pre-war issues	6-7
Deutsche Bank Stock	33-35
Krupp Ltd. 5%	2½-3½
Austrian Federal 6% 1922	8-10
City of Vienna 5s 1923	11-15

Quotations: French bonds per thousand francs, British per 120; German per thousand marks. * is million marks.

Easy Credit Usually Means Over-spending

A comparison has been made between the rural credits plan, recently suggested, by which the Dominion Government extends credit to the provinces, they in turn to municipal associations and the latter to individuals, and the Mortgage Loan Fund which was a live issue in Canada a generation or two ago.

According to this plan which was introduced by Sir Francis Hincks the Canadian government borrowed money abroad and loaned it on easy terms to all municipalities in Upper Canada desiring assistance. Many of the younger municipalities took advantage of the offer to a much greater degree than they were warranted in doing, and many of them were unable to carry their obligations. Hamilton, acording to the records was one of these, and judgments were issued against the corporation. In 1863 Hamilton was in the hands of the sheriff, "from which embarrassment it was rescued by compromise with creditors, the cost of which has not yet been fully discharged." The general effect of the experiment, according to Sir Oliver Mowat was to lessen the value of municipal securities generally, "and to corrupt the moral sense of the people with reference to moral obligations." Too much credit may be a menace.

YORK EXTENDS STREET RAILWAY

Authorization for the Toronto Transportation Commission to construct and lay street railway tracks to complete the Rogers Road line to Bicknell Avenue was passed this week in a resolution by the York Township council. The estimate of the cost of the work is cut in the report of the T.T.C. from last year's figure of $350,000 to $329,000.

This Week's Bond Sales

WESTON ISSUE SOLD

A block of $109,712 5½ per cent. 10, 20 and 30-instalment debentures of the Town of Weston was awarded to Gairdner, Clarke and Co., at a price of 103.623. About fifteen bond houses submitted bids for the issue, including the following:

Gairdner, Clarke & Co.	103.623
Bell, Gouinlock & Co.	103.66
C. H. Burgess & Co.	103.57
Fry, Mills, Spence & Co.	103.53
Municipal Bankers Corp.	103.47
Goss, Forgie & Co.	103.427
Toronto Bond Exchange	103.27
Dyment, Anderson & Co.	103.23
Cochran, Hay & Co.	103.19
Wood, Gundy & Co.	102.94
J. L. Goad & Co.	102.924
McLeod, Young, Weir & Co.	102.58
Macneill, Graham & Co.	102.57
Matthews & Co.	102.43

ALBERTA BONDS SOLD

The Provincial Treasury has just concluded negotiations for the sale of $2,250,000 4½ per cent. 20-year bonds, dated June 15, 1925, for July delivery and payment. The price received was the best the Province has experienced since 1913. The bonds were offered in New York at a price of 96.17, which is a yield rate of 4.80. The purchasers are the National City Company, and Harris, Forbes & Company, who also purchased by tender the April re-

NORTH BAY ISSUE

An issue of $78,000, 5 per cent. town of North Bay public school debentures, maturing in 20 instalments, have been sold to Hanson Brothers, at 98.877. At this price the money is costing the municipality 5.14 per cent. Following are the bids:

	5%	5½%
Hanson Brothers	98.877	102.17
C. H. Burgess & Co.	98.53	102.28
Wood, Gundy & Co.	98.57	102.57
Bell, Gouinlock & Co.	98.28	102.48
Dyment, Anderson & Co.	98.08	102.21
Matthews & Co.	98.01	102.10
Fry, Mills, Spence & Co.	97.79	102.07
Macneill, Graham & Co.	97.75	101.73
Gairdner, Clarke & Co.	97.732	101.732
McLeod, Young, Weir & Co.	97.63	101.63
MacKay & MacKay	97.50	100.90
A. E. Ames & Co.	97.33	.....

PROVINCE OF QUEBEC ISSUE

A syndicate composed of Wood, Gundy & Co., Harris, Forbes & Co., and the National City Co., was awarded the $5,000,000, 25-year, 4½ per cent. bond issue of the Province of Quebec, on a bid of 96.159.

The province asked, also, for an alternative bid on two-year notes for the same amount, but the bond bid was the one accepted. The Bank of Montreal syndicate was the highest bidder on the notes.

The various bids were as follows:

	25-year Bonds	2-year Notes
Wood, Gundy & Co.; Harris, Forbes & Co.; and National City Co.	96.159	99.86
Bank of Montreal; First National Bank of N.Y.; Kissel, Kinnicutt & Co.; and Redmond & Co.	95.65906	100.01737
A. E. Ames & Co.; Guaranty Co.; Bankers Trust Co.; Estabrook & Co.; and Old Colony Trust Co.	95.549	100.00
Halsey, Stuart & Co.; Blair & Co.; Equitable Trust Co.; Hallgarten Co.; Kountze Bros.; Continental & Commercial Trust & Savings Bank; L. G. Beaubien & Co.; Johnston & Ward; Matthews & Co.; Gairdner, Clarke & Co.; and Canadian Bank of Commerce	95.57	....
Halsey, Stuart & Co.; Blair & Co.; Equitable Trust Co.; Hallgarten Co.; Kountze Bros.; Continental & Commercial Trust & Savings Bank, and Bank of Commerce	.....	99.95
Salomon Bros. & Hutzler; Goldman, Sachs Co.; and Mead & Co.	.....	99.81447
Aird, McLeod & Co.; Fry, Mills, Spence & Co.; Dyment, Anderson & Co.; Cochran, Hay & Co.; Bell, Gouinlock & Co., and Mead & Co.	95.03	.....
Kerr, Flemming & Co.; Lee, Higginson & Co., and E. H. Rollins & Sons	93.546	99.713
Marshall, Field, Glore & Ward and syndicate represented by G. A. Stimson & Co.	.....	99.66122

Salomon Bros. & Hutzler also bid for 2-yr. 4 per cent. notes, 98.86714, and for 2-year 3½ per cent. notes 97.91981.

MONCTON BONDS SOLD

The Eastern Securities Corp. and J. M. Robinson & Son have been awarded an issue of $108,000, Moncton, 4½ per cent. bonds, due 1955, on a bid of 92.531. The bids were:

Eastern Securities Corp. and J. M. Robinson & Son	925.31
Wood, Gundy & Co.	92.31
Gairdner, Clarke & Co.	92.072
Macneill, Graham & Co.	91.31
Bell, Gouinlock & Co.	91.27

BIG HOME MARKET BEING DEVELOPED FOR OUR ISSUES

(Continued from page 12)

and sounder operating basis, in the very marked increase in the favorable foreign trade balance, in the strengthening of the Dominion's gold reserve and in the disappearance of the discount in New York on the Canadian dollar. While there is, of course, a great deal to be desired in the way of business improvement, real progress is being slowly made.

Some of the Problems

There are many perplexing problems, the solution of which is vital to the further progress of this country. You have been made thoroughly familiar with these problems by the extensive publicity that has been given to them. One cannot help feeling that many of them could be better handled by the introductrion of more sound economies and scientific study in their treatment, unhindered by the course of political and sectional bargaining. In your travels throughout this country you have undoubtedly been impressed with the need for more complete understanding between its various elements of production, industrial and agricultural.

Any serious attention that has been paid to this subject has been largely political in character and the issues, which, although not without some political significance, are nevertheless, in the final analysis, chiefly economic have been clouded in the political struggle of section against sectian. It would seem that much might be accomplished if these problems of agriculture, industry and marketing could be for the time being removed from political wrangle and submitted to the joint and periodic conferences of the leaders in these different fields of activity, meeting one another in small units for the purpose. Frank and detailed discussions at such economic conferences would perhaps go far in removing the suspicious and jealoussies of the different groups and might result in finding the basis for that national understanding and policy which political strife has thus far failed to find.

In your own analysis of conditions and people, you have very likely found some inspiration for the future in the realization that the experience of this period of depression and trial have not been without their benefits. Serious and costly lessons in finance and economy of administration have been taught. Burdensome taxation at a time of business inactivity has turned the attention of a daily increasing number of people to problems of public finance and administration. This is particularly true in the West where too much praise cannot be given the governments of those Prairie Provinces for the courageous and successful attempts which they have been making to balance budgets in the face f difficult and unfavorable conditions, decreased revenue and higher debt charges. The recent response throughout the country to the appeal of this association for more adequate sinking funds and decreased borrowing has been most gratifying. In many other respects and in all parts of the country there is evidence of restraint and balance that is especially commendable in view of the pronounced credit ease. Much progress has been made in readjusting public finance to a sounder and wiser basis. This country is doing a lot of hard-headed thinking. There is, of course, much to be done along these lines of lessened expenditure and reduced borrowings, but the success that is to be attained will be measured by the extent to which the individual citizen cares to interest himself in the administration of the affairs of these political subdivisions in which he lives.

STATES SPEND LARGE SUMS TO ADVERTISE RESOURCES

Establishment by the state of funds to provide for research into its resources and for publication of the facts found has been provided in a bill which has just been passed by the legislature of California. The bill, sponsored by the California Real Estate Association, authorizes the state real estate commissioner to undertake this work. It provides for an annual maximum expenditure of $20,000 to carry on the studies and to publish the facts found. The research will provide statistical and descriptive matter concerning agricultural lands and other resources of the state. The funds of the department come from fees paid under the rea' estate license law of the state. A similar bill in Florida proposes the annual expenditure of $200,000 of state tax money for the purpose of advertising that state. The bill provides for a Florida advertising board of seven members, composed of the commissioner of agriculture, one representative from each congressional district, and two from the state at large appointed by the governor. This board would have charge of the expenditure of the fund for advertising.

J. Harvey Roy Elected Converters' President

From Our Own Correspondent.

MONTREAL.—J. Harvey Roy, vice-president of the Canadian Converters Co., Ltd., was elected president of the company at a meeting of the directors which was held immediately after the annual general meeting. James N. Laing, the retiring president, remains as a member of the board, and J. M. MacKie succeeds Mr. Roy as vice-president.

Other members of the board are: Thos. J. Rodger, T. R. Rennie, D. Paterson and R. C. McMichael, K.C. Mr. Roy also continues as general manager of the company, and Thos. M. Barrington was re-elected secretary.

Government and Municipal Bonds

We will be glad to furnish particulars and offerings upon request.

Gairdner, Clarke & Co.
312 Bay Street, Toronto. Dominion Express Bldg., Montreal.

CENTRAL CANADA LOAN AND SAVINGS COMPANY
Dividend No. 165

Notice is hereby given that a Quarterly Dividend of Three per cent. (3%) for the three months ending June 30th, 1925 (being at the rate of Twelve per cent. per annum) has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Thursday, the 2nd day of July, 1925.

The Transfer Books will be closed from the 16th to the 30th of June, both days inclusive.

By order of the Board.
G. A. MORROW, Managing Director.

International Petroleum

is attracting universal interest by its mammoth development in South America. Production in 1924 was approximately 6,500,000 bbls., and upon completion of Andian National pipeline from Colombia to the seaboard production will be materially increased. International Pete seems exceptionally attractive at 27. Our International Pete bulletin discusses its growth and future. May we send you a complimentary copy? Bulletin also available on Imperial Oil.

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Canada

SERIAL BOND VALUES TABLES

Show value of an issue of bonds in which same amount of principal matures at each instalment.

Covers maturities 1-2 years to 1-40 years with principal payable annually and 6 months to 1 year to 6 months to 20 years with principal payable semi-annually.

Yields 3 to 8% sixteen coupon rates

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WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Place	Date	Purpose	Sold To—	Rate	Maturity	Amount	Price	Yield
MUNICIPAL								
North Bay	June	School	Hanson Bros.	5½%	1945	$78,000	98.877	5.14
Amherst	June	......	J. C. Mackintosh	5%	1955	13,000	101.00	....
Port Hope	June	......	E. R. Bain & Co.	5½%	1945	22,545	103.81	5.05
Cumberland Twp.	June	......	M. Russell, Cumberland	6%	6 in.	1,402	100.91	5.73
Moncton	June	......	Eastern Securities Corp., and J. M. Robinson & Son	4½%	1955	108,000	92.531	....
Weston	June	......	Gairdner, Clarke & Co.	5½%	10, 20, 30 ins.	109,712	103.623	.1...
PROVINCIAL								
Quebec	June	......	Wood, Gundy & Co. and syndicate	4½%	1950	5,000,000	96,159	4.76
Alberta	June	......	National City Co. and Harris, Forbes & Co.	4½%	1945	2,250,000	96.17	4.80
CORPORATION								
Pacific Great Eastern Rly.	June	......	A. E. Ames & Co. and Syndicate	4½%	1942	5,925,195	94.21	5.00
Corp. Archiepiscopale d'Ottawa	June	......	Credit Anglo-Francais	5%	1955	128,000	100.	...
Corp. Episcopale d'Alexandria	June	......	Credit Anglo-Francais	5%	1940	109,000	100.	...

Insurance for Buyer and Seller

HIGHER COST OF EDUCATION NEED FOR INSURANCE

Returns in Income Later Prove Policy a Good Investment

A good definition of the Educational Policy is "A Policy that is purchased and set aside by the parent for the specific purpose of providing for the college, technical, or professional education of the child." This limitation of reference is well justified when we take into consideration the much greater expense of these advanced courses as compared with the lower cost of the common school or high school education. These latter, of course, are most necessary, but they may be provided for out of the ordinary family income and without any special provision being made. The death of the father, however, in the great majority of cases, as I will prove to you later on, either makes the higher education unattainable or entails a considerable sacrifice on the part of the mother or the family, and therefore a special form of policy has been developed to take care of this particular family problem, and the Educational Policy is the direct result of these conditions now so universal in these days of ever-increasing expenses in all departments of our daily existence.

The Application of the Policy

Some underwriter has most aptly remarked that "there are two kinds of fathers who should be interested in this class of policy; those who have a college education, and those who have not. The father with a college education wishes his son to be as well equipped mentally and educationally as he was, while the father without the B.A. or M.A. after his name is anxious, keenly so in most cases, to have his boy better equipped for the business battle of life than was his dad."

Most of us, however, have had the experience at one time or other when talking to some father on this subject or about the education and future of his son, of having him say, "Well, I had no college education and I have come through all right, and I guess my boy can take the same chance that I did." Or another quite favorite remark you have heard is, "The trouble to-day is that the modern boy has things made far too easy for him, too much money, too many sports. I want my boy to start at the bottom of the ladder the way his old man had to do." But I am glad to say that these old fashioned ideas are rapidly passing, and to-dav the modern, intelligent father is only too anxious to give his children every possible advantage in the way of a higher education that will fit them better for the struggle that is ahead.

A few years ago when contraverting such adverse arguments the underwriter would have had to argue largely in generalities, as comparatively little was known about the real dollar and cents value of a college education. But to-day we are living in the age of statistics and in preparing a paper on almost any subject, we can now turn to figures prepared by some mathematically gifted specialist or expert, and find compiled for our use complete data to help us prove our case. So it is with our subject of today and I now will show you with mathematical exactitude just what a college education is worth to the average young man and how much his income will be as compared with his less fortunate and favored brother.

Only about 80 per cent. of fathers live to see their sons through college.

Forty per cent. of the children registered in high school during the first year are obliged to leave before their four year course is completed because of financial reasons.

Thirty-six per cent. of this number are fatherless.

Fifty per cent. of this number are dissatisfied, due to lack of education which would have enabled them to select their field of endeavor.

Out of 1,000 children entering school only 139 finish high school and only 23 finish college, the average length of schooling is less than seven years.

Let us take four classes of men, capitalize their annual incomes on a basis of 5 per cent. and see how they work out, as prepared by James Dodge, former president of the American Society of Mechanical Engineers.

First Class: Common school graduate who earns an average of $600 per year, starts at age 16 at a small wage, average earnings stop increasing at age 25 and 60 per cent. of this class fail.

Second Class: Apprentice, who begins at age 19 at $10 per week and rises to $21 at age 35 and this remains his limit.

Third Class: Trades school graduate begins at 19 with $12 per week and rises to $32 at age 36 and continues to advance.

Fourth Class: College man, begins at age 22 with $25 per week and earns $35 per week at age 34 and rises indefinitely.

These earnings capitalized at 5 per cent. result as follows:

1—Average annual income of common school graduate has $12,000 capital value.

2—Average annual income of the apprentice graduate has $16,000 capital value.

3—Average annual income of trade school graduate has $20,000 capital value.

4—Average annual income of college graduate has $40,000 capital value.

Cost of a College Education

	Per year
McGill University	$600 to $ 800
Toronto University	800 to 1,000
Princeton University	800 to 1,000

The Cornell Alumni News states that the average expense of a college education is now $1,150 a year, as compared with $285 fifty years ago.

The cost of a woman's college education is approximately the same, if anything, a little less.

Heavy Loss Ratios Are Embarrassing Companies

The heavy loss ratio which fire insurance companies in Canada and U. S. have experienced the last few years is said to have placed many concerns in a not too healthy state. There is considerable talk in the U. S. that a number of companies would willingly sell out if they could secure their price. Many companies have not a large premium income and are not yoked up with other companies in a way to reduce their overhead expenses with the result that they have expense ratios higher than business warrants. They cannot reduce them unless they are able to increase incomes, and that is difficult in the face of the competition. By careful selection of business they used to be able to hold their loss ratios down and make a profit in spite of high expense ratios, but for some time losses have been so heavy that few escaped increased loss ratios regardless of the care they exercised in underwriting.

The future is far from rosy and it is not surprising that some companies should conclude that the best chance to get out of losing business lies in selling out and becoming part of a fleet, so that the expense ratios at least can be reduced. The fire and other loss ratios in Canada, with premium and loss figures and the loss ratio in the U. S., are shown in the following table:

	Premium	Losses	%	% in U.S.
Fire	$49,837,840	$29,247,450	59	55
Auto	6,405,994	2,942,947	46	44
Tornado	121,580	27,474	22	51
Hail	3,678,167	2,004,957	56	91
Rain	47,390	40,888	85	57

DEATH RATE LOWER

The cumulative death rate for the first five months of 1925 is now 10.1 per thousand as compared with 10.4 a year ago and 11.1 for the same period of 1923. These figures are given by the statistical branch of an insurance company having more than fifteen million policyholders and doing business both in Canada and the United States. Heart disease, pneumonia, tuberculosis, chronic nehpritis and cancer are the five leading causes of death, in the order named.

Automobile fatalities continue to increase considerably both in Canada and in the United States. The year to date death rate is 12.0 per hundred thousand which is 6 per cent. higher than the corresponding period of the preceeding year.

Ford states his Detroit-Chicago air service cost averaged 8½ cents a pound first month of operation on two monoplanes daily carrying 1,000 pounds of freight and express in average of 2½ hours.

GROUP ENDOWMENT PROTECTS VICTORIA COLLEGE MEMORIAL

Ninety Students Create 20-Year Fund and Trustees Provide Insurance

Group insurance has been introduced in a novel way by the 1925 graduating class of Victoria College, University of Toronto. Some 90 of the graduates decided on a memorial fund for scholarships and other educational purposes, pledging to pay $5 yearly for 20 years. That some might in the meantime die, raised a point and to protect the fund the trustees placed 20 year endowment group policies for $500 on the lives of 18 of the contributing group. The trust agreement provides that at the end of 20 years a referendum of the contributors shall be taken to decide upon the distribution of the fund or the income therefrom.

Several of the members have expressed their intention of paying their contributions in lump sum, and already one member has done so. Lax payments must, of course, be expected, and partial provision has been made to anticipate such occurrences; but it is confidently expected that not more than two or three policies will have to be dropped; and after a few years both profits and surrender value can be depended on. It is reasonably certain that a substantial sum will be available at the end of a 20 year period to constitute a real memorial of the class of 1925.

This is said to be the first instance where insurance has been adopted by a Canadian university on the group plan. It has, however, been applied on the endowment plan in universities in United States. The graduating classes of Harvard and Princeton, are using life insurance on the endowment plan for the purpose of providing a memorial gift in future years to the Alma Mater. Princeton established a life insurance memorial idea nine years ago, beginning 1916, when the Equitable of New York first started the arrangement. In following years Princeton graduating classes have taken out endowment policies in the New York Life, Mutual Life, and Mutual Life of New York. The 1924 memorial policies of Princeton and Harvard are being placed with the New York Life for more than 400 senior students, of whom at least 75 per cent. are expected to participate in individual amounts running between $200 as a minimum and $1,000 as a maximum, on which sum a physical examination will have to be required of any student. Policies are payable to the individuals, but are signed to the class committee for disposition in behalf of the institution.

Manufacturers are Trustees for the Owners of Industry

(Continued from page 10)

ten forget themselves. Potentially, we may still be one of the wealthiest people on earth, but actually we are certainly one of the most keenly taxed and it seems to be in vain that the bleeding process goes on year after year. There are no reductions of national debt and no reductions of taxation. Farmers and manufacturers have lived up to the motto of economy. Both have reduced the cost of production as much as it was in their power to do. But a time comes when the cost of doing business and the cost of tilling the soil is too high. No relief comes from government circles when the waste continues to go on forever, with deficits accumulating and the interest on the national debt going up all the time. We are told that the Canadian credit is good. Yes, you bet it is, as is the credit of the prodigal as long as he has property to mortgage.

Reducing Taxes

But how can the burden of taxation be lightened? There is first the practice of economy by the government. Only in the operation of railways a high official admitted recently that there was a way to wipe out the annual deficit. How long shall we have to wait to see such a reform realized. Then there is at least one possible change of taxes.

Supposing that the sales tax is abolished and the rates of the customs tariff raised what would be the result? The people would save 5 per cent. on their purchases as long as they buy Canadian products, and those who buy imported goods, that is the richer classes, would pay more federal revenue. You see at once that such a change would help the humble class and stimulate the domestic trade in national products.

There is no excuse to overlook these suggestions when it is known that taxes are paid out of savings accumulated by industry, thrift and self-denial of the producers.

We want more people to settle on our lands, and the railways want more traffic. Canada will not get settlers nor keep her sons on the farms as long as she does not solve her economic and national problems. Still we are glad to see that practically every business man in Canada realizes that more nationalization of railways would be an aggravation of former mistakes. Perhaps there was an excuse during the war to take over bankrupt railways, but there would be none to-day to use these to make unfair competition to the greatest industrial corporation of the Empire.

This being said, allow me to suggest that better agricultural protection and better industrial protection would help the railways at once to get more traffic and to get more immigrants. The carloads of farm products which have found no markets this year are not only a loss to the agriculturists, but are also a loss to the railways and their employees.

Let the railway directorates use their immense influence to insure adequate protection to all classes and they will find the way out of a good many of their own difficulties. But to invite immigration when we cannot keep our own people in this country is to begin at the wrong end. It is a well known fact that thousands of former immigrants have gone back to their native lands and make a bad propaganda against Canada. We are with the railways when they ask for more people on our soil, but we want to be in a position to keep all good immigrants when they do come to us.

Get Jobs in States

In the old days the emigrants who left Canada were all looking for work in the American factories. Nowadays reports tell us that a fair proportion of Canadian emigrants buy lands in Vermont, Maine, Massachussets, New Hampshire and New York. These are the fruit of the United States tariff which improves the conditions of the farmers as well as all working classes in the United States. And they are also the consequences of that lack of tariff protection from which the Canadian toilers of the soil suffer at least as much as the urban working men.

Political debaters in this country claim that the economic situation is all right as long as the balance of commerce is in our favor. Of course, the fact that our exports are higher than our imports is a good note in itself as long as it shows that we are saving our money. But if the lack of money forces us to restrain ourselves, a fair balance of trade is not a sign that business is good for all classes in our midst. As a matter of fact the Eastern provinces justly complain of the hard times that their agriculturists have suffered since 1921. A better tariff would have protected that class of farmers without impairing the welcomed good-fortune actually met with by the Western grain growers last year.

Protection for Farmers

A few weeks ago, the Minister of Agriculture for the Province of Quebec was asking protection for the potato growers of his district. Thousands of carloads of Canadian potatoes are going to rot in the farmers' cellars. Carloads of eggs, fruit, vegetables and other foods are imported into Canada, while our rural populations are unable to sell their produce at a fair price. There is the cause of emigration as a result of inadequate tariff protection for the most numerous and useful class of people in this country. Then in turn, the hardship of the farmer reacts on the other classes. His buying power being low there is a slump in the local and national business. The merchants have a hard time to sell their goods and they are justly afraid to give orders to the manufacturers who are forced to reduce the industrial production, thus injuring the working and the intermediate classes. It is easy to see that the remedy to that situation is a higher protective tariff rate for the Canadian farmers, and until we have it our export trade may show some good results but the people will not be happy and prosperous.

The Record of Fire Losses in Canada

Place—Property	Date	Loss	Insurance	Cause
NOVA SCOTIA				
New Glasgow—G. Fraser, barns	May 20	total	......	......
NEW BRUNSWICK				
Kingston—W. Cochrane, res.	May 20	total	......	unknown
Coverdale—S. Berry, barn	May 21	$900	......	......
St. Stephen—J. Brown, stables, horses, garage, etc.	May 18	15,000	......	......
St. Charles—A. Daigle, agric. bldg.	May 18	2,500	none	......
QUEBEC				
Ausable Forks—32 buildings	May 14	$500,000	......	unknown
Village of Charlesbourg—M. P. Legare, res. and bus.	May 19	25,000	......	......
West Shefford—W. Taylor, agric. bldg. and store	May 22	6,000	......	......
St. Joseph d'Alma—Theatre, part of village	May 13	1,300,000	250,000	theatre appart's
ONTARIO				
Toronto—Miller & Co., bldg.	May 31	20,000	......	unknown
Singhampton—T. Hill, barn	May 15	total	......	......
Wilson's Corners—G. T. Folletter, barns contents	May 16	10,000	partial	......
Elmira—T. Musselman, barn & contents	May 20	total	partial	unknown
London—W. A. Jenkins, Mfg. Co., bldg.	June 2	heavy	......	spon. comb.
Minesti Point—Miss Ross, cottage	May 16	total	partial	unknown
Dr. Harrington, cottage	"	total	partial	unknown
Mrs. J. L. Burton, cottage	"	heavy	$1,000	unknown
Henry Rooke, cottage	"	heavy	12,000	unknown
Innisfil—W. J. Goodfellow, res.	May 19	total	800	......
Port Arthur—Aitken's Garage, office bldg.	May 20	1,500	......	stove
Baie de Dove—Cleve Cuyler, cottage	May 25	total	......	chimney
Kinloss—Watson Scott, res.	May 22	total	covered	spark
Quarry Lake—F. Morden, barn	May 23	total	partial	lightning
London—Hobbs Mfg., plant	June 3	25,000	......	unknown
Hamilton—A. M. Hobbs Co., premises	May 22	40,000	......	blowing safe
Seymour Twp.—R. Cleugy, barn and cattle	May 17	heavy	12,000	......
Kemptville—C. J. Johnson, livery stable	May 21	6,000	4,000	unknown
London—Metal Prod. Co., plant	May 21	8,000	covered	def. wiring
Rice Lake—T. Sanderson, res.	May 22	total	......	unknown
Ashton—School	May 26	2,000	small	......
Vespra—E. Carson, barn	May 16	2,500	3,400	lantern upset
MANITOBA				
Winnipeg—Tuxedo Barracks, stables and horses	May 18	$75,000	......	unknown
South Transcona—H. Henstoffe, res. and barns	May 17	total	......	unknown
SASKATCHEWAN				
Radville—Isaac Shibley, pool room	May 15	heavy	partial	unknown
Radville—Elite Cafe	May 15	heavy	$8,000	unknown

When selecting a Trust Company as an Executor choose one whose fixed policy is to give

Financial Assistance

to Estates being administered by it

PAID UP CAPITAL AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

Head Office, Winnipeg.

Branches: Saskatoon, Regina, Edmonton, Calgary, Vancouver, and Victoria.

Best of them All

There are many safe and profitable investments, but none can "hold a candle" to Life Insurance for protection and service.

Great-West Life

11A

THE **Western Empire** Life Assurance Company

HEAD OFFICE 701 Somerset Building Winnipeg, Man.

Branch Offices: SASKATOON EDMONTON CALGARY VANCOUVER

THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, CANADA

TOTAL ASSETS $2,928,337.62

TORONTO, 24 Adelaide St. W.

W. H. GEORGE Superintendent of Agencies

Foremost

The Sun Life of Canada wrote more ordinary paid-for life assurance in Canada during 1924 than any other Company.

The Sun Life of Canada writes more ordinary life assurance each year than any Company of the British Empire.

Assets - - $275,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE : MONTREAL

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of TWELVE PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable THURSDAY, THE SECOND DAY OF JULY next, to Shareholders of record at the close of business on the Fifteenth day of June.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, May 20th, 1925.

CANADA PERMANENT 70 YEARS 1855-1925

Established 1855

THE MONARCH LIFE IS A GOOD COMPANY

Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

Are you a thinking man?

Thinking men are now awake to the wide advantages offered by insurance. Is your home, your valuables, your business, fully protected against accident, fire and theft?

Talk it over with one of our agents. He will give you full particulars of any form of protection you require.

The British American Assurance Company of Toronto

ESTABLISHED 1833

The Independent Order of Foresters

Organized 1874

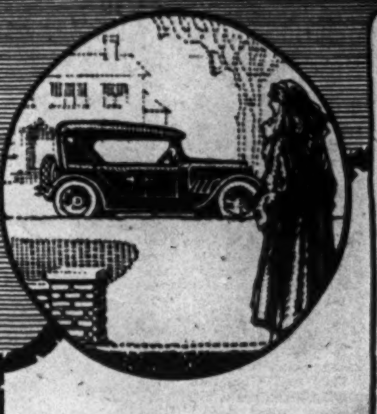
TOTAL BENEFITS

Paid to Members and their Beneficiaries

$81,000,000.00

Policies Issued from $1,000 to $5,000

G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer



Annual Cost of Running a $1000 Car

Interest - -	$50.00
License - -	14.00
Insurance -	55.80
Gas and Oil -	75.00
Tires - - -	50.00
Garage - -	75.00
Repairs, Etc.	75.00
Depreciation	130.00
Total	$524.80

This Car Cost a Widow $10,000

HER husband was a young business man of good prospects. He believed in living more carefully than his wife did, having business instincts and principles which she lacked.

'I would sooner put the money it would cost me to run a car into life insurance", said he. "I could get a good big endowment policy with the money running a car will cost us every year.

"The Jones's have a big new car", she replied. "Everybody we know has a car."

That was three years ago. She has her car. It is still a fairly good car. She would like to sell it for $200. Her husband was right. A $10,000 Mutual Life policy would have been a far better investment. But it's too late, now.

Are *you* carrying the amount of life insurance you should? Talk it over with our agent.

The MUTUAL LIFE of Canada

WATERLOO, ONTARIO

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POST-Scripts

AT THE C.M.A. banquet, at Hamilton, last week, the president, J. H. Fortier, had some very nice things to say—as could be expected of this polished French-Canadian — of the other speakers of the evening, Sir John Aird and E. W. Beatty. Evidently the president of the Bank of Commerce has not found that bouquets of this kind are the customary thing for the head of a Canadian bank and he had an apt story to express his feelings.

It was the story of a Southern funeral. It was an event in the colored community, which drew a large gathering. The widow and bereaved children were the recipients of lavish condolences. The minister told fervently and eloquently—rather than with exact truth—of the many great and good qualities of the deceased. He described, as only a colored pastor in the presence of a responsive audience can, how the late lamented had been a devoted husband and father and a dependable and faithful provider.

As the speaker rose to succeeding heights of oratory the widow began to show signs of doubt and uneasiness. Finally the references to the devoted husband and lavish provider were too much for her. She leaned over to her eldest daughter and whispered: "Mandy, you stand up and see if there is another casket in this here church."

When Mr. Beatty got up he intimated that the nice things Mr. Fortier had said had created similar feelings in the railroad president as they evidently had in the banker. He considered Sir John's story as very fitting but he supplied the Montreal as opposed to the Toronto ending of it when he suggested that what the widow had said was:

"Mandy, you go over and see who the devil is in that coffin."

* * *

"WE MAKE more money out of selling real estate than out of discounting mortgages," said the general manager of a mortgage discount company the other day. He revealed that in a few years of operating his company he had learned that success in the second mortgage business is dependent upon the success of the company in selling property.

This is the way it works out. The first or second mortgage on a piece of real estate will be discounted, and at the end of a year or two, the mortgagor begins to get behind in his payment. The mortgage company could go through the statutory provisions foreclosing and protecting equity but would involve considerable expense and delay. Rather than do this they go to the mortgagor and explain to him that it might be well for him to get out of the burden of carrying the property and that they will undertake to find a purchaser. On the other hand they are continuously in touch with people who are prospects for the purchase of property and have built up a considerable business in handling property for the people who have placed the mortgages they buy. This business has become very profitable and is moreover an unexpected source of revenue. Few of the mortgages companies in their prospectuses made an investment feature of their potential power.

* * *

THE broker had been having a difficult day. Besides being harassed by unreasonable customers during a boiling market, his tribulations had been augmented by receiving orders for 100 Rock Island at different prices, all of which were cancelled immediately after they had been placed. First he had received an order to buy at 47⅛, as the Wall Street Journal tells the yarn. This had been immediately cancelled and the order had been renewed at 47. Then there had been further changes. Ordinarily an even-tempered man, he had become sad and bitter. His outlook on life had suddenly changed. He speculated idly on the advantages of murder and sudden death, and thought of his uptown office manager.

Finally, just as he was near the bursting point, the following edifying order came through:

"Buy 100 Rock Island at the market." And then at the bottom of the slip, this defensive explanation:

"It's for a woman!"

* * *

THE general manager of one of Canada's banks has a simple, effective method of insuring that his visitors will not take up too much of his time. Whenever a visitor is ushered into his office, he is given a piano stool to sit upon. No one stays very long. The discomfort of sitting upon a piano stool makes quick action certain.

* * *

FROM the standpoint of wealth, John D. Rockefeller, Jr., has most democratic tastes, particularly in motor vehicles, says Adams in the Boston News Bureau. His best car is a model nationally advertised as having "more than a million satisfied users." For his business trip downtown to 26 Broadway each morning he uses an electric cab in the winter, a prehistoric model with the chauffeur out front on a box. On recent balmy spring days I have seen him driving something a bit sportier in the way of a smaller electric roadster with the top thrown back; the chauffeur pilots the vehicle back uptown. It may surprise the reader to learn that the younger Rockefeller does not use a gasoline-propelled motor on his daily trip downtown, considering his undoubted interest in gasoline sales, but Wall St. remembers him as driving a spanking team of bays down Broadway a few years ago before his attachment to electric cars.

* * *

A MAN well known in the financial world was traveling in the south some time ago. In his peregrinations he met a representative of a large Cuban cigar company who informed him he was buying Virginia tobacco for his firm.

"What!" said the New Yorker who has a justified reputation among his friends for never being fooled between Cuban and domestic smokes, "you don't mean to tell me you use Virginia tobacco in your cigars?"

"No," replied the other laughing: "All the cigars we sell are genuine Havana. But our contract with our workmen provides a certain allowance of tobacco daily, we having the option as to the kind. The men don't object to Virginia and we find it cheaper to import that for them than to use the home grown leaf."

Five Month Building Total Well Above Previous Year

Building permit applications in Eastern Canada showed considerable improvement in May, a gain of $1,841,415 being recorded, while previous months have been falling behind. The West on the other hand, has done well up to May but shows a material decline for that month. Ottawa provided the bulk of the increase in the East, the new Metropolitan Life building permit for $1,575,000 having been issued in May. Edmonton on the other hand was responsible for letting the West down so hard, its big expansion of May, 1924, leaving a decline this year of over a million. The amount of large construction work being undertaken is not large in either the east or West. Both the East and West are standing well ahead of 1924 for 5 months, the total being $3,572,528. Ottawa stands well in the lead for the Dominion with Toronto next, Montreal has not shown the increase this year it did last. The figures:

	May 1925	May 1924	Change	5 Months 1925	5 Months 1924	Change
Eastern Cities						
Maritimes—						
Halifax	$ 79,412	$ 38,460+	$ 40,952	$ 779,452	$ 316,467+	$. 462,985
Saint John	5,500	25,000—	19,500	431,530	120,450+	311,080
Sydney	2,275	20,862—	18,587	11,396	69,342—	57,946
Quebec—						
Montreal	2,140,920	2,800,810—	659,890	8,568,003	9,052,775—	484,772
Outremont	287,150	137,600+	149,550	1,276,250	697,000+	579,250
Quebec	569,905	661,780—	91,875	951,746	1,600,277—	648,531
Shawinigan Falls	53,600	17,530+	36,070	87,600	21,320+	66,280
Sherbrooke	35,160	54,100—	18,940	153,760	381,725—	227,965
Westmount	109,375	233,775—	124,400	615,750	767,275—	151,525
Ontario—						
Belleville	22,475	1,000+	21,475	79,910	54,850+	25,060
*Border Cities	939,488	869,593+	69,895	3,276,018	3,494,349—	218,331
Brantford	8,590	22,561—	13,971	53,347	65,541—	12,194
Chatham	67,200	14,520+	52,680	81,185	75,470+	5,715
Fort William	65,925	163,300—	97,375	381,295	347,520+	33,775
Galt	18,143	11,002+	7,141	55,384	42,787+	12,597
Guelph	45,220	82,881—	37,661	166,652	188,426—	21,774
Hamilton	310,300	361,400—	51,100	1,155,650	1,644,700—	489,050
Kingston	27,092	30,465—	3,373	183,162	687,296—	504,134
Kitchener	166,588	170,545—	3,957	683,059	479,911+	203,148
Niagara Falls	172,240	113,425+	58,815	386,925	258,985+	127,940
Oshawa	76,590	100,965—	24,375	241,800	382,310—	140,510
Ottawa	1,867,170	373,785+	1,493,385	3,094,239	861,470+	2,232,769
Owen Sound	426,425	......+	426,425	491,475	65,050+	426,425
Peterborough	25,210	30,015—	4,805	101,986	101,497+	489
Port Arthur	179,785	179,557+	228	238,275	1,091,431—	853,156
Sarnia	116,390	70,450+	45,940	337,610	278,338+	59,272
Sault Ste. Marie	41,715	50,904—	9,189	115,070	119,834—	4,764
Smith's Falls	nil	16,500—	16,500	13,275	40,630—	27,355
Stratford	54,278	154,689—	100,411	233,683	345,421—	111,738
St. Catharines	52,590	43,480+	9,110	225,072	243,739—	18,667
St. Thomas	25,020	9,433+	15,587	273,876	88,071+	185,805
Toronto	2,823,972	2,169,997+	653,975	9,951,823	8,601,808+	1,350,015
Welland	18,720	17,190+	1,530	37,035	59,495—	22,460
Woodstock	14,564	16,848—	2,284	38,962	111,520—	72,558
York Twp.	446,950	390,300+	56,650	1,833,950	1,488,050+	345,900
Total 35 E. Cities	$11,296,137	$9,454,722+	$1,841,415	$36,606,205	$34,245,130+	$2,361,075
Western Cities						
Manitoba—						
St. Boniface	$ 46,980	$ 38,493+	$ 8,487	$ 618,753	$ 136,095+	$ 482,658
Winnipeg	661,940	668,500—	6,560	1,856,190	1,345,900+	510,290
Alberta—						
Calgary	181,850	184,370—	2,520	493,050	414,340+	78,710
Edmonton	270,575	1,414,100—	1,143,525	580,095	1,685,465—	1,105,370
Lethbridge	13,560	11,545+	2,015	73,374	58,142+	15,232
Medicine Hat	310	12,005—	11,695	5,855	80,722—	74,867
Saskatchewan—						
Prince Albert	1,720	31,450—	29,730	9,095	44,185—	35,090
Regina	219,890	212,960+	6,930	476,980	366,195+	110,785
Saskatoon	418,777	568,636—	149,859	548,412	696,587—	148,175
Weyburn	7,365	Nil +	7,365	8,215	Nil +	8,215
Yorkton	5,050	,375+	2,675	28,525	23,300+	5,225
British Columbia—						
Nanaimo	8,300	12,120—	3,820	36,380	32,795+	3,585
New Westminster	33,645	43,645—	10,000	160,320	160,440—	120
Point Grey	551,100	498,000+	53,100	2,601,900	1,682,600+	919,300
Vancouver	795,980	640,076+	155,904	3,421,237	2,936,951+	484,286
Victoria	31,982	143,340—	111,348	223,859	267,070—	43,211
Total 16 W. Cities	$3,249,024	$ 4,481,615—	$ 1,232,591	$11,142,240	$ 9,930,787+	$1,211,453
Gd. total 51 Cities	$14,545,161	$13,936,337+	$608,824	$47,748,445	$44,175,917+	$3,572,528

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Department of Colonization and Development

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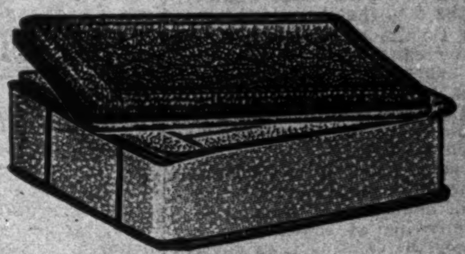

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ALBERTA PEOPLE ARE NOW TIRING OF PATERNALISM

Little Faith That Government Loans is the Answer

From Our Own Correspondent.

CALGARY.—The "U.F.A.", the official organ of the United Farmers of Alberta, in its current issue suggests that "newspapers which urge the Alberta government to introduce further legislation concerning the position of mortgage companies this year, would do greater service to the farmers of Alberta if they would join in the demand made by every Alberta representative at Ottawa for the passage this session of a general plan of long term and intermediate credits suited to the needs of agriculture."

It is not likely that the newspapers of the West will fall in with any such suggestion. As a matter of fact the Calgary Herald reminds the editor of the "U.F.A." that whatever may be the fate that befalls the proposal for Dominion legislation on agricultural credits, the provincial government should not longer delay amending the present provincial mortgage legislation and that the latter should not have to wait upon the rural credits plan.

Financial men throughout the West have repeatedly pointed to the large amount of damage that is being done to the inflowing of capital into the province by the existing laws governing mortgages on land. At the present time land mortgages are a dead letter in Alberta and will continue to be so until the provincial government awakes to a realization of what it is doing in diverting such investments. All the mortgage people ask is that they be treated the same as they are in other provinces of the Dominion.

MANUFACTURERS SAY UNIVERSITY UNJUST

Protest Against Radical Teachings Replacing Sound Discussion in Economics

By Staff Editor.

HAMILTON.—In a number of speeches at Hamilton Convention of Canadian Manufacturers' Association as well as in much private conversation, the University of Toronto came in for discussion. The manufacturers were definite in pressing the view that some recent occurrences at the University of Toronto are evidence that the Department of Political Economy is developing into a hot bed for discontent. Class is being set against class at the University, it was declared, and the training of the minds of students along very certain lines of thought, that are not generally regarded as the sound policy for a country like Canada, was declared.

Several manufacturers spoke of the injustice of permitting debates to be carried on in University halls in such a manner that a free trade decision was practically a foregone conclusion. Other manufacturers referred somewhat bitterly to the apparent anti-French Canadian feeling which is being engendered by speakers among University faculties, at the very time that the prominent business men of Quebec and Ontario are making every effort towards the fostering of a feeling of Bonne Entente between the two peoples and the two races. It was felt that anti-French spirit is not the true feeling of Ontario.

The feeling seemed to be that the University of Toronto should have as its primary object the fitting of students to contend with the problems which Canada has to face. As a state institution supported by the Government and the taxpayers of the province, this was its important function. It was felt that such subjects as birth control, free trade, and socialism should not be smothered, but they should be treated in their proper relationship to the problem of the country, which needs population, private initiative and capital, and which, as has been shown by all experience, is dependent upon a practical tariff policy for the development of manufacturing industry to create wealth out of our raw materials.

RATE CONTROL BY RAILWAY BOARD MORE IN FAVOR

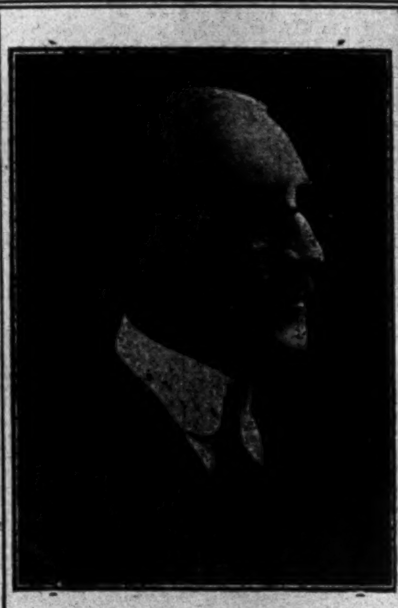
(Continued from page 1)

a majority could have been found for a proposal that would have left the hands of that body entirely free, giving it control of rates on grain and flour as well as on all other commodities. This, however, was politically impracticable in view of the close relations between the Liberals and the Progressives. Moreover, it was held by a good number that it was better to make a small concession from the ideal method of handling the situation rather than create a feeling of discontent in a large part of the country.

In view of the growing realization that there is considerable benefit likely to accrue to the West from the general revision of rates by the Railway Commission, particularly in regard to the points mentioned above, the present outlook is that there may not be a big fight over the proposed legislation in the House. In that event, it is generally expected that the session will come to an end at the end of this month, while prorogation might be reached somewhat earlier.

BRAZILIAN TRACTION

April	1925 Dollars	1924 Dollars	Change Dollars
Gross earn.	$2,194,295	$2,239,842—	$ 45,547
Oper. exp.	946,417	833,096+	113,321
Net earn.	1,247,878	1,406,746—	158,868
Aggre. gross from Jan. 1	9,239,971	8,808,832+	431,139
Aggre. net from Jan. 1	5,371,640	5,483,015—	111,375



FRANK J. D. BARNJUM.
Who will be a Conservative candidate in the provincial election in Nova Scotia. He favors the establishment of a big mill to manufacture Canada's pulpwood into paper in Canada.

BARNJUM ENTERS POLITICAL FIELD

Running in N.S. Election on Platform of Keeping Pulpwood for Canadian Industry

HALIFAX.—Frank J. D. Barnjum, the active protagonist of the pulpwood embargo proposal, has announced himself as a candidate of the Conservative party for Queen's County in the forthcoming provincial election. A life-long Liberal, he is opposing a further return to power of the Liberal Government which has held office continuously for 43 years. He believes that with better business in government taxes can be reduced.

Mr. Barnjum advocates the development of Canada's pulpwood resources for the manufacture of paper in Canada. He wants to see a 200-ton paper mill erected on the watershed of the Mersey River, "which controls the largest and finest water-power in the Maritime provinces." The benefits of such an industry, he points out would be felt throughout the province:

The initial expenditure for the erection of the plant and development of power alone will exceed the sum of five million dollars. The amount of pulpwood required to keep a mill of this size in operation will amount to more than all the wood that is now being exported by the farmers in the entire province of Nova Scotia and will entail the distribution of more than a million dollars through the province annually, for pulpwood alone, together with an annual expenditure for labor of five hundred thousand dollars in the operation of the mills. This is entirely outside of the purchase of materials and supplies and the support of the large number that would be indirectly connected with an industry of this size.

The class of towns that are built up around a paper mill are the finest of any towns to be found in Canada to-day, and as an example of this I will merely refer to the towns of Grand' Mere in Quebec and Iroquois Falls in Ontario, which are probably the two model towns in the entire country.

I care not how many new paper mills may now be building in Canada, paper can be manufactured at a lower cost price at Liverpool than at any location on this continent. These new mills building in Canada are, by the way, largely the result of my campaign for an embargo on pulpwood.

SITUATION IS BAD IN C.B. COAL FIELDS

Serious Damage Being Done to Property — One Town Has Insurance Suspended

SYDNEY.—Conditions which have developed in the Cape Breton coal fields as a result of the inauguration of the 100 per cent. picketing policy of the U.M.W. seem likely to bring about intervention on the part of the provincial authorities. Up to Tuesday night, damage estimated at $35,000 had been done to machinery flooded in various pits, and strong pickets of strikers were in full command of the streets and highways at several points.

The worst situation is at New Waterford where a town of 6,000 has been cut off from electric light, has no protection against fire, has had $800,000 insurance cancelled and the people have to go to doubtful wells and barrels hauled on trucks for drinking water. The mayor of the town is an active U.M.W. member and he and the councillor for the district cannot seem to decide who should demand police protection.

NEW ORGANIZATION TO BUY FOR 500 GROCERY STORES

Huge Montreal Concern Organizes to Compete With Chain Stores

Plans whereby co-operative buying for 500 Quebec and Ontario grocery stores will be carried out, to enable them to compete with chains, have been completed in Montreal. Corporation D'Achats Ltee., (Purchasers Corp. Ltd.,) is the name of the new organization which proposes to buy for its 500 members direct from the manufacturer and resell to its members on a 4 per cent. commission basis. Canadian Grocer says that the nearest organization of the kind in Canada, is Superior Stores, Toronto.

This is composed of some 192 individually owned stores with their own wholesale depot. Each merchant going into it puts in $200 capital, which is used by the wholesale company as operating capital. Each keeps his own separate identity to a certain extent, making his own profit and conducting his business his own way, except that the buying and advertising are done co-operatively.

The Montreal company is organizing under a federal charter with a capital of $100,000, made up of 1,400 cumulative, preferred shares, bearing interest at 7 per cent. and 600 common shares, each with a par value of $50. The organization plans to include five hundred grocers, drawn from the provinces of Quebec and Ontario. Each member joining is required to purchase two preferred shares of stock at $50 each, payments for which are to be made quarterly until the stock is fully paid up. In addition an annual fee of $25 is charged. Dividends, if earned, will be paid on the outstanding shares, with preferred having first claim.

P. Rafferty, manager, says they will group together orders of members to buy merchandise. No travelers will be employed. Members will be circularized each week. Orders will be placed a few days in advance of needs. Montreal delivery will be without charge and outside Montreal, at cost. The four per cent. commission charge is expected to take care of expenses of the corporation.

INTERNATIONAL WILL MAKE BINDER TWINE

Large Addition to be Erected—Two-Fold Purpose Back of Plan

International Harvester of Canada, will manufacture binder twine within the next few months in Hamilton, Ont. Orders have been given to prepare the necessary machinery for shipment, and the company is already at work laying plans to receive, instal and commence operations. This will be a permanent addition to the manufacturing facilities of the Harvester plant, and to the industries of Hamilton and Canada.

The area required for this mill will be 350,000 square feet, or eight acres of floor space, and the equipment will weigh in the neighborhood of 900 to 1,000 tons, requiring from 1,000 to 1,200 h.p. to operate.

The fibre used will be chiefly manila from the Philippines, with some Sisal from Yucatan. It is said to be a fact that the Western Canadian farmers seem to prefer manila to sisal twine, and this is why the output will be mostly of the manila variety, made in eight pound balls, with the patented cover, now used on the company's twine.

The company in establishing a mill of this size and capacity has a two-fold purpose in view—first of all, to be able to supply Canadian farmers with made-in-Canada twine, and secondly, from an economical standpoint, as they will be able to distribute this twine in mixed carload lots with their other implements and machines.

The mill will be one of the most modern and up-to-date factories in Canada, employing from 300 to 400 men and women, and it is expected that operations will commence early next fall, as the necessary arrangements for shipping, installing machinery, and accumulating the necessary stocks of fibre will be made as rapidly as possible.

J. P. Barrons, formerly superintendent of the company's St. Paul twine mill, and latterly in a similar position at the Deering mill in Chicago, will be in charge of all operating pertaining to the manufacture of twine in Hamilton.

Mr. Beatty Tells Manufacturers How to Meet Public on Tariff

At the annual banquet of the C.M.A. at Hamilton last week the manufacturers of Canada were given the benefit of the views of E. W. Beatty, president of the Canadian Pacific Railway, as to what should be done to improve their relations with the public and to bring about a better understanding and appreciation of industry. Speaking, evidently as the result of his experiences in winning understanding and good-will for the Canadian Pacific, Mr. Beatty frankly told the manufacturers that the success of protection depended on the merits of such a policy as they could be shown to benefit the whole community. He suggested that a tariff sheet be drawn up to show the advantages and disadvantages of protection. He avoided anything which might be construed as political, but speaking of the case for the tariff, said:

"I may say that any one who has lived in this Eastern portion of Canada who does not recognize its significance is woefully uninformed of the history of countries similarly situated, and, I should say, uncomprehending of the history of the great Republic to the south of us, who have the uncanny instinct of adopting policies which add to their own prosperity, and whose progress is impressive evidence of accuracy of their commercial reasoning. The tariff should not be the subject of academic debate, to be determined by one political economist or another. It is a question which must be determined by its consequences on the commercial and industrial life of the whole country, and while there are many men in Canada who honestly believe that a policy of little or no protection at all is the one which will benefit the greatest number of people, I am disposed to think that not one of them would adhere to that view if they were convinced that national prosperity followed a protective policy. A tariff—necessary and not abused—would be accepted by most Canadians if they found resultant prosperity to the country the inevitable consequence; and the duty, and perhaps the first duty, of the Canadian manufacturers is to analyze and expose the extent of the burden created by it and the benefit secured therefrom."

Ottawa Light Heat & Power Co., Limited

Common Stock Dividend No. 20b

Notice is hereby given that a quarterly dividend of 1½% (one and one-half per cent.), being at the rate of 6% per annum on the Common Stock of this Company, has been declared for the period ending June 30th, 1925, and payable that date to Shareholders of record at the close of business on the 15th day of June, 1925.

The transfer books of the Company will not be closed.

By Order of the Board.
D. R. STREET,
Secy.-Treas.

Ottawa, June 8th, 1925.

Ottawa Light Heat & Power Co., Limited

Preferred Stock Dividend No. 2c

Notice is hereby given that a quarterly dividend of 1⅝% (one and five-eighths per cent.), being at the rate of 6½% per annum on the Preferred Stock of this Company, has been declared for the period ending June 30th, 1925, payable July 1st, 1925, to Shareholders of record at the close of business on the 15th day of June, 1925.

The transfer books of the Company will not be closed.

By Order of the Board.
D. R. STREET,
Secy.-Treas.

Ottawa, June 8th, 1925.

LORRAIN TROUT LAKE MINES, LIMITED

Dividend No. 2

The Directors of this Company have declared an Interim Dividend of five cents per share, payable July 15th, to Shareholders of record July 1st, 1925. The transfer books of the Company will be closed from the close of business on July 1st until the close of business on July 14th.

Dated at Toronto this 10th day of June, 1925, by Order of the Board.
G. C. AMES,
Secretary.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company Limited, payable the 2nd day of July, 1925, to shareholders of record on the 20th day of June, 1925.

By Order of the Board.
W. H. SMITH,
Secretary-Treasurer.

Quebec Power Company

Notice is hereby given that a dividend of One and three-quarters (1¾%) per cent. has been declared on the Seven (7%) per cent. Cumulative Preferred Stock of the Company for the quarter ending June 30th, payable July 15th to shareholders of record June 30th, 1925.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, June 9, 1925.

Quebec Power Company

Notice is hereby given that a dividend of One and one-quarter (1¼%) per cent. has been declared on the Common Stock of the Company for the quarter ending June 30th, payable July 15th, to shareholders of record June 30th, 1925.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, June 9, 1925.

CREDIT CHIEF ASSET OF A MUNICIPALITY

The phenomenal growth of municipal and civic expenditures and debts has aroused much interest of late and the taxpayer is endeavoring to find an answer to the question, "where is it leading to?" Many Canadian municipalities, especially in these times of easy borrowing, are proceeding with large-scale enterprises with little inclination to count the cost. Certain of the western municipalities have learned their lesson, but many have not yet done so.

The danger in this regard has been summed up by the Bureau of Municipal Research. Although the reference deals especially with the position of the city of Toronto, it refers equally to any Canadian city or municipality.

Following are a few suggestions drawn up by the bureau in an effort to call the attention of the municipalities to the proper use of borrowed funds:

1. Should any city ever directly or indirectly supply credit to a private undertaking which cannot obtain the necessary credit through regular channels, and, if any private undertaking can finance itself, should the city finance it?

2. Is it just to bonus newcomers by guaranteeing their bonds when there are numerous companies and individuals who have paid taxes for years and have helped to build up the community, but who in these hard times need to borrow from the banks, if possible, on their own credit?

3. If a city council or a board or a commission makes a bad guess in loaning the city's credit, who pays for the mistake?

4. Granted that the existing personnel of a city council or of its various outside boards can be counted upon always to use with discretion and success any additional power which may be granted, who can guarantee the taxpayers against their resignations, death or failures to be re-elected or reappointed?

5. Finally, in view of the fact that a municipal debt is equivalent to a mortgage and that bonds guaranteed by a city or outside board are contingent liabilities, which constitute a provisional mortgage of indefinite amount on every piece of real property in a city including the homes of its citizens, is it not time that any tendency toward the too free use of municipal credit should be decisively curbed by the people who will ultimately have to pay the bills?

DOMINION TEXTILE COMPANY, Limited

NOTICE OF DIVIDEND

A Dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending 30th June, 1925, payable 15th July, to shareholders of record 30th June.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, May 28th, 1925.

Southern Canada Power Co. LIMITED

Dividend No. 22

A Dividend of One and one-half per cent. (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending June 30th, 1925, payable July 15th, 1925, to shareholders of record June 25th, 1925.

By order of the Board,
L. C. HASKELL,
Secretary-Treasurer.

Montreal, May 29th, 1925.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1925.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1925.

The above Dividends are payable on Thursday, the 2nd day of July, 1925, to Shareholders of record at the close of business Monday, the 15th day of June, 1925.

By order of the Board.
MERVYN OFFER,
Comptroller & Secretary.

Montreal, 21st May, 1925.

THE SHAWINIGAN WATER & POWER COMPANY

Notice is hereby given that a dividend of one and three-quarters (1¾%) per cent. has been declared on the Common Stock of this Company for the quarter ending June 30th, payable July 10th, to shareholders of record June 26th, 1925.

By order of the Board,
JAMES WILSON,
Secretary.

Montreal, June 8, 1925.

THE MONTREAL CITY AND DISTRICT SAVINGS BANK

Notice is hereby given that a Dividend of two dollars and fifty cents per share has been declared on the Capital Stock, called and paid up, of this Bank and will be payable at its Head Office, in this City, on and after Thursday, July second next, to shareholders of record, Monday, June fifteenth next, at three o'clock p.m.

By order of the Board,
A. P. LESPERANCE, Gen. Mgr.

Montreal, May 26th, 1925.

The Consolidated Mining and Smelting Company of Canada, Limited

DIVIDEND No. 42

NOTICE IS HEREBY GIVEN that a Dividend of Three Per Cent. (3%) on the paid-up Capital Stock of the Company for the six months ending June 30th, 1925, has this day been declared, payable on the 15th July, 1925, to shareholders of record at the close of business on the 30th June, 1925.

By Order of the Board.
J. E. RILEY,
Secretary.

Montreal, June 9th, 1925.

THE TRINIDAD ELECTRIC COMPANY, LIMITED

Notice is hereby given that a dividend of 1¼% for the quarter ending June 30th, 1925, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of July, 1925.

The transfer books of the Company will be closed from the 1st to the 10th of July, 1925, both days inclusive.

By order of the Board.
F. B. OXLEY, Secretary.

The Mining Corporation of Canada, Limited

Dividend No. 20

The Directors of this Company have declared an Interim Dividend of 12½ cents per share, payable on July 30th, to Shareholders of record on July 15th, 1925. The transfer books of the Company will be closed from the close of business on July 15th until the close of business on July 29th.

Dated at Toronto this 10th day of June, 1925, by Order of the Board.
G. C. AMES,
Secretary.

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1925, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of July, 1925, to shareholders on record of the 20th June, 1925.

By Order of the Board.
C. A. BOGERT,
General Manager.

Toronto, 28th May, 1925.

Dominion Textile Company, LIMITED

NOTICE OF DIVIDEND

A Dividend of One Dollar and Twenty-five cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending 30th June, 1925, payable 2nd July, to shareholders of record June 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, May 28th, 1925.

THE WABASSO COTTON COMPANY, LIMITED

DIVIDEND No. 30

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 30th June, 1925, payable on the 2nd of July, 1925, to Shareholders of record at the close of business on the 15th June, 1925.

By Order of the Board.
JAS. R. RITCHIE,
Secretary-Treasurer.

Montreal, May 14th, 1925.

The Toronto General Trusts Corporation

Dividend No. 116

NOTICE is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending June 30th, 1925, being at the rate of TWELVE PER CENT. PER ANNUM, and that the same will be payable on and after Thursday, the Second Day of July, 1925. The Transfer Books of the Corporation will be closed from Tuesday, the 16th day of June, until Tuesday, the 30th day of June, both days inclusive.

By order of the Board of Directors.
W. G. WATSON,
General Manager.

Toronto, June 2nd, 1925.

The Hamilton Provident and Loan Corporation.

Dividend No. 108

Notice is hereby given that a Dividend of Five Per Cent. (being at the rate of Ten Per Cent. per annum) upon the Paid-Up Capital of this Corporation, has been declared for the half year ending June 30th, 1925, payable on and after Thursday, the 2nd day of July, next.

The Transfer Books will be closed from the 15th to the 30th June, inclusive.

By Order of the Board,
D. M. CAMERON,
General Manager.

Hamilton, June 2nd, 1925.

Dominion Power and Transmission Co., Limited

Notice is hereby given that Dividend No. 55 at the rate of seven per cent. (7%) per annum on the Cumulative Preference Stock of this Company has been declared for the three months ending June 30th, 1925, and that the same is payable on July 15th, 1925, to Shareholders of record on the 30th day of June, 1925.

The Transfer Books for the Preference Stock of the Company will be closed from the 22nd day of June, 1925, to the 30th day of June, 1925, both days inclusive.

By Order of the Board of Directors.
GEORGE D. FEARMAN,
Secretary.

Hamilton, Ont., 2nd June, 1925.

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General Offices, Clayton, Mo., U.S.A.